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8 *Attorneys for Plaintiff Navajo Health Foundation –*
9 *Sage Memorial Hospital, Inc.*

10 **IN THE UNITED STATES DISTRICT COURT**

11 **DISTRICT OF ARIZONA**

12 Navajo Health Foundation – Sage Memorial
13 Hospital, Inc. (doing business as “Sage
Memorial Hospital”),

14 Plaintiff,

15 v.

16 Razaghi Development Company, LLC
17 (doing business as “Razaghi Healthcare”);
Ahmad R. Razaghi; Tausif Hasan; Does 1-
10,

18 Defendants.

19 And related counterclaims and third-party
20 claims.

Case No. 3:23-cv-08072-DJH

**PLAINTIFF’S FOURTH
AMENDED COMPLAINT**

(Hon. Diane J. Humetewa)

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Navajo Health Foundation - Sage Memorial Hospital, Inc. alleges as follows:

JURISDICTION

1. This is an action arising from violations of the Federal Racketeering Influenced and Corrupt Organizations Act, 18 U.S.C. 1961, *et seq.* (“RICO”), as well as other related claims for relief such as common law fraud, conversion, breach of fiduciary duty, and unjust enrichment, which are based on the same operative facts as the RICO claims.

2. The Court has jurisdiction over this action for the following reasons:

a. The Court has federal question jurisdiction under 28 U.S.C. § 1331 and 18 U.S.C. § 1964(c) because this action arises under RICO.

b. The Court has supplemental jurisdiction under 28 U.S.C. § 1367 because the state common and statutory law claims are related to the RICO claims and form part of the same case or controversy.

3. Venue is proper in this district for the following reasons:

a. Venue is proper under 28 U.S.C. § 1391(b) because a substantial part of the events, acts or omissions giving rise to this lawsuit occurred in this district.

b. Venue is proper in this district under 18 U.S.C. § 1965 because Sage Memorial asserts a RICO claim against Defendants and Defendants have an agent, transacted their affairs, or reside in this district.

PARTIES

The Plaintiff

4. Plaintiff Navajo Health Foundation - Sage Memorial Hospital, Inc. (“Sage Memorial”) is an Arizona non-profit corporation headquartered in Ganado, Arizona. Sage Memorial administers and operates a 25-bed hospital serving the Navajo Indian population. The hospital is located within the territorial boundaries of the Navajo Nation and is the only hospital within a 40-mile radius.

The Defendants

5. Defendant Razaghi Development Company, LLC is currently an Arizona limited liability company. Development Company, LLC was originally formed as a Nevada limited liability company on or about October 17, 2007. On May 8, 2019, Razaghi Development Company, LLC redomesticated as an Arizona limited liability company and notified the Arizona Secretary of State that the address for its known place of business was located in Scottsdale, Arizona. During all time periods relevant to this Fourth Amended Complaint (“FAC”), Razaghi Development Company, LLC transacted business under the fictitious name “Razaghi Healthcare” and is referred to herein for ease of reference as “Razaghi Healthcare NV.” From March 13, 2013 through August 31, 2018, Razaghi Healthcare NV acted as the “Contract CEO” for Sage Memorial.

6. Defendant Ahmad R. Razaghi (“Razaghi”), upon information and belief, has been, at various time relevant to the allegations of this FAC, a resident of the State of Nevada and subsequently a resident of the State of Arizona. Razaghi is, and at all times relevant to the allegations in this FAC was, the managing member of Razaghi Healthcare NV. Razaghi is being sued in both his individual capacity and his capacity as the managing member of Razaghi Healthcare NV. Throughout the time Razaghi Healthcare NV served as Contract CEO to Sage Memorial, Razaghi Healthcare NV dedicated Razaghi as the individual responsible for providing the CEO services.

7. Defendant Tausif Hasan (“Hasan”) is, and at all times relevant to the allegations contained in this FAC was, a resident of the State of Arizona. Hasan was employed by Razaghi Healthcare NV from September 2015 to September 2017 and from December 2017 to August 31, 2018. During periods of time relevant to the allegations contained in this FAC, Hasan was the individual Razaghi assigned to provide “Contract Chief Financial Officer” services to Sage Memorial. Hasan is being sued herein in his individual capacity and as an employee of Razaghi Healthcare NV.

8. Plaintiff is informed and believes, and thereupon alleges, that each of the Defendants designated as Does 1 through 10 inclusive, are responsible in some manner

1 for the events and happenings herein referred to and negligently and/or intentionally
2 caused injuries and damages to Plaintiff. Plaintiff further alleges that it cannot currently
3 ascertain the identity of each of the Doe Defendants and Plaintiff will therefore seek leave
4 of Court to amend this Complaint to insert the true names and capacities of Doe
5 Defendants when they have been ascertained, together with appropriate charging
6 allegations and to join such Defendants in this action.

7 9. Plaintiff is informed and believes, and thereupon allege, that each of the
8 Defendants designated as Roes A through Z, inclusive, is responsible in some manner for
9 the events and happenings herein referred to and negligently and/or intentionally caused
10 injuries and damages to Plaintiff. Plaintiff is further informed and believes that each of
11 the Roes is either a corporation, related subsidiary, parent entity, group, partnership,
12 holding company, owner, predecessor entity, successor entity, affiliate, joint venture,
13 related association, insurer or business entity, the true names of which are currently
14 unknown to Plaintiff at this time. Additionally, Plaintiff alleges that it cannot currently
15 ascertain the identity of each of the Roe Defendants and Plaintiff will therefore seek leave
16 of Court to amend this Complaint to insert the true names and capacities of Roe
17 Defendants when they have been ascertained, together with appropriate charging
18 allegations and to join such Defendants in this action.

18 **The Non-Party Participants in the Enterprise and Racketeering Activity**

19 10. Tadd Greenfield (“Greenfield”), during time periods relevant to this FAC,
20 served as the contract CEO of Sage Memorial. Greenfield was an employee of Razaghi
21 Healthcare NV or an entity controlled by Razaghi. He reported to Razaghi and was
22 installed for a period of time by Razaghi as the CEO of Sage Memorial.

23 11. Stenson Wauneka (“Wauneka”), during time periods relevant to this FAC,
24 served as the Chairman of the Sage Board.

25 12. Abigail Paul (“Paul”), during time periods relevant to this FAC, was
26 employed by Razaghi Healthcare NV as a “Project Manager.” Paul’s duties as a project

1 manager with Razaghi Healthcare NV included performing administrative oversight at
2 Sage Memorial and reporting information concerning Sage Memorial to Razaghi.

3 13. Cheryl Bailey (“Bailey”), during time periods relevant to this FAC, was
4 employed by Razaghi Healthcare NV as a Senior Vice-President (“VP”). Bailey’s duties
5 as a Senior VP with Razaghi Healthcare NV included performing administrative oversight
6 at Sage Memorial and reporting information to Razaghi.

7 14. Stephen Hoffman, Esq. (“Hoffman”) is a licensed member of the State Bar
8 of Arizona. During time periods relevant to this Complaint, Hoffman provided legal
9 services to both Sage Memorial and to Razaghi Healthcare NV. Among other
10 representations, Hoffman was selected and retained by Razaghi and Razaghi Healthcare
11 NV to provide legal advice to the Sage Board in connection with the Second Amendment
12 to the CEO Services Contract and other matters. Even though Hoffman was to provide
13 legal services to the Sage Board, he reported to, and took directions from, Razaghi. More
14 particularly, to further the interests of Razaghi and Razaghi Healthcare NV, rather than
15 to protect the interests of Sage Memorial, Hoffman recommended that the Sage Board
16 approve the Second Amendment to the CEO Services Contract under which Razaghi
17 Healthcare NV would manage Sage Memorial. The amendment contained provisions that
18 had not been discussed with, or disclosed to, the Sage Board before it formally approved
19 the amendments and that the Sage Board would have rejected had they been disclosed.
20 Although selected by Razaghi, Hoffman owed legal and fiduciary duties to Plaintiff and
the Sage Board and had a duty to act in Plaintiff’s best interests.

21 15. Christopher S. Stachowiak, Esq. (“Stachowiak”) is a licensed member of
22 the State Bar of Arizona. During time periods relevant to this Complaint, he represented
23 Razaghi Healthcare NV as legal counsel. By letter dated September 1, 2018, and
24 presumably mailed that same day, Stachowiak, among other things, questioned whether
25 the Sage Board had the authority to hire counsel other than Stephen Hoffman who was
26 selected by Razaghi to represent Sage Memorial.

FACTUAL ALLEGATIONS

Sage Memorial

16. Sage Memorial operates a 25-bed hospital that serves a community of approximately 25,000 Navajo people in a remote, high desert area in Ganado, Arizona within the territorial boundaries of the Navajo Nation near the Arizona-New Mexico border.

17. Sage Memorial serves a largely indigent population (approximately 43% of the population on the Navajo reservation lives below the poverty line, which is more than double the percentage for the general population of the State of Arizona). Sage Memorial provides the Navajo Nation and the broader Ganado community with important healthcare services such as emergency care, 24-hour urgent care, inpatient hospital services, outpatient clinic, behavioral health, physical therapy dentistry, and community health services.

18. Sage Memorial has been providing medical services to the community since 1901. Sage Memorial is currently the only medical hospital within a 40-mile radius.

19. Sage Memorial is also a designated “tribal organization” with the meaning of the 1975 Indian Self-Determination and Education Assistance Act, Pub. L. 93-638, and the regulations promulgated thereunder, 25 C.F.R., part 900. The Navajo Nation designated Sage Memorial a tribal organization for the first time in 2002.

20. As a P.L. 638 tribal organization, Sage Memorial is entitled to contract directly with Indian Health Services (“IHS”), an agency of the United States Department of Health and Human Services and to receive the federal funds necessary to enable it to develop its own healthcare program that is unique to the needs of the Navajo tribal members in the eight other Navajo Nation chapter communities surrounding Sage Memorial.

21. IHS is Sage Memorial’s primary source of funding for its operational and medical services needs. Historically, more than fifty percent of its revenues have come from IHS (“IHS Revenue”).

1 22. In addition to IHS funding, Sage Memorial also generates revenue by
2 providing medical services to patients covered by Medicare and Medicaid (“collectively,
3 Medicare Revenue”). Historically, approximately forty percent of its revenue has come
4 from Medicare Revenue.

5 23. Sage Memorial has historically generated an additional ten percent of its
6 revenue from private insurance (collectively, “Non-Government Revenue”).

7 24. Federal funds have, therefore, historically provided approximately ninety
8 percent of the revenue Sage Memorial requires to operate its healthcare facility.

9 25. By early 2007, Board of Directors of Sage Memorial decided that its aging
10 hospital building, equipment, and services needed to be upgraded to better meet the needs
11 of its community and had begun exploring ways to accomplish those goals.

12 **The Blue Mountain Hospital Project**

13 26. Like the Board of Directors for Sage Memorial, the Utah Navajo Health
14 System in Blanding, Utah had been trying for a number of years to develop, build, and
15 operate a hospital to serve their remote, rural community in the Four Corners area where
the Utah, Arizona, Colorado, and New Mexico borders meet.

16 27. In October 2006, the Utah Navajo Health System broke ground on the Blue
17 Mountain Hospital, which upon completion would be an eleven-bed hospital facility with
18 surgical services, inpatient hospital services, and other medical amenities needed by the
19 community.

20 28. In connection with the groundbreaking, Manuel Morgan, who was at the
21 time Chairman of the Utah Navajo Health System, announced that through their
22 experience with the Blue Mountain Hospital project they had developed “a template for
23 us to bring quality healthcare to the residents of other underserved rural communities.”
24 Press releases credited Razaghi Development with providing “the professional team and
technical expertise to develop and implement the strategic plan for this project.”

25 29. In January 2007, Manuel Morgan announced that the Utah Navajo Hospital
26 System had secured more than \$14 million in debt financing to help construct the hospital.

1 In making the announcement, Manuel Morgan again claimed that the process they had
2 developed would “serve as the template for similar communities that seek to elevate or
3 update their healthcare infrastructure.” Razaghi, who had no prior healthcare-related
4 experience, and had been appointed Chairman and President of the Blue Mountain
5 Hospital to develop the hospital construction project, added that the Blue Mountain
6 Hospital Project “required the coordinated efforts and resources from several public and
7 private entities, all of which played a critical role, to secure the necessary capital to build
8 this facility.”

9 30. Both Razaghi and Morgan promoted their ability to duplicate their
10 “success” at Blue Mountain Hospital at other rural communities like the remote
11 community of Sage Memorial located in Ganado, Arizona.

12 **Razaghi Bids for the Sage Memorial Hospital Project**

13 31. In early 2007, Razaghi planned to apply the template and the expertise
14 gained from the Blue Mountain Hospital project to “other underserved rural
15 communities.” Sage Memorial Hospital was his first target of opportunity.

16 32. On February 7, 2007, Razaghi and Morgan presented the Sage Memorial
17 Board with a proposal to use their “template” and the expertise they claimed to have
18 developed during the Blue Mountain Hospital project to develop, finance, and build a
19 new hospital for Sage Memorial (“Hospital Development Services”).

20 33. Razaghi and Morgan told the Sage Board they would provide the Hospital
21 Development Services through Manuel Morgan and Associates (“MMA”), which was the
22 company through which Razaghi and Morgan claimed to have worked on the Blue
23 Mountain Hospital project when they developed their template and claimed to have
24 gained their expertise.

25 34. Razaghi and Morgan emphasized to the Sage Board that MMA was “a
26 Navajo owned firm.” They emphasized that point because the Navajo Nation Business
Preference Act promotes the “economic self-sufficiency of the Navajo Nation by granting
first opportunity and/or preference in contracting to Navajo and/or Indian owned and

1 operated businesses.” 5 N.N.C. § 201(C)(1). To qualify as Navajo owned, at least fifty-
2 one percent of the business must have been owned by a member of the Navajo Nation.

3 35. Razaghi and Morgan were able to claim that MMA qualified as a Navajo-
4 owned business because Morgan was a member of the Navajo Nation and owned fifty-
5 one percent of the company according to the company’s governing documents.

6 36. The other forty-nine percent of MMA was owned by Attentus, LLC
7 (“Attentus”), a limited liability company owned by Razaghi and his brother Korothe
8 Razaghi (“Kory”).

9 37. Morgan was critical to Razaghi’s plan for obtaining the contract to build
10 the new Sage Memorial Hospital for other reasons. Morgan was well-known and highly
11 respected businessman in the Navajo Nation. He was a county commissioner for San
12 Juan County, Utah, where Blanding, Utah is located, and was the Chairman of the Utah
13 Navajo Medical System, which developed and owned the Blue Mountain Hospital
14 project. He also had knowledge and experience with P.L. 638 contracting between IHS
15 and tribal healthcare facilities like Sage Memorial.

16 38. Razaghi, on the other hand, was unknown, had no experience in hospital
17 administration, and had little to no real-world business experience at all. Prior to Sage
18 Memorial, Razaghi was a construction company site project manager. Even his position
19 as President and Chairman of the Blue Mountain Hospital was related to the real estate
20 development phase of the project. Once construction was completed, and the hospital
21 was preparing to open, someone else was appointed to administer the actual hospital
22 functions and activities.

23 39. Unbeknownst to the Sage Board, while Morgan owned fifty-one percent of
24 MMA (thereby allowing MMA to represent that it was Navajo owned), Morgan only
25 received one-third of the profits. The Razaghi brothers, through Attentus (which owned
26 only forty-nine percent of MMA) received two-thirds of the profits.

40. Aware that Sage Memorial desperately needed to build a new hospital and
that it was eligible for P.L. 638 funding from IHS, Razaghi prepared for his pitch to the

1 Sage Board by reviewing Sage Memorial's audited financial statements for fiscal years
2 2002 through 2005, a site feasibility study, and other relevant records. Razaghi and
3 Morgan represented to the Sage Board that they had the experience, expertise, and ability
4 to obtain financing for the new hospital by 2010.

5 41. As compensation for obtaining financing for the new hospital by 2010,
6 Razaghi and Morgan asked Sage Memorial to pay them a fee equal to ten percent of the
7 total cost of the project. In addition, Razaghi and Morgan asked Sage Memorial to pay
8 them a pre-financing development fee in yearly installments of between \$650,000 and
9 \$900,000 for the years 2007 through the close of financing in 2010. They also asked Sage
10 Memorial to reimburse project-related expenses.

11 42. On February 7, 2007, Sage Memorial signed a contract retaining MMA to
12 develop, finance, and build a hospital in Ganado, Arizona using the template and
13 experience they developed on the Blue Mountain Hospital project in Blanding Utah.
14 ("MMA Agreement"). In making the decision to retain MMA, the Sage Board relied on
15 Razaghi and Morgan's representations about their template, their expertise, their promises
16 of completing financing by 2010, and their claims of success on the Blue Mountain
Hospital project.

17 43. As part of their agreement, the Sage Board gave MMA the full authority to
18 act as the hospital's agent to negotiate, prepare, execute, and deliver any documents and
19 other agreements "in connection with development, financing, and construction of a new
20 Hospital."

21 **Razaghi Takes Over Control of Sage Memorial.**

22 44. On March 13, 2007, Sage Memorial amended the MMA Agreement.
23 ("First MMA Addendum").

24 45. Only one month after representing to the Sage Board that they could, and
25 would, obtain financing for the new hospital by 2010 -- and only one month after being
26 retained based on that representation -- Razaghi informed the Sage Board that the

1 hospital's financial performance was so poor that, in their expert opinion, they could not
2 obtain the promised financing in its then current financial condition.

3 46. Razaghi represented to the Sage Board that MMA could solve the hospital's
4 financial problems by hiring MMA and giving it full control to manage Sage Memorial's
5 day-to-day hospital operations. Razaghi represented to the Sage Board that he had the
6 experience and expertise to develop and implement a turnaround plan that would
7 strengthen Sage Memorial's financial condition thereby enabling it to obtain financing
8 for the new hospital. Importantly, Razaghi told the Sage Board that if it hired MMA to
9 manage the hospital, MMA would be able to turn the financial condition around and also
10 obtain the promised financing for the new hospital by the original 2010 target.

11 47. Unbeknownst to the Sage Board, Razaghi's representations were false. In
12 reality, Razaghi had no experience managing a healthcare facility and had never
13 developed or implemented a turnaround plan for any healthcare facility.

14 48. In the First MMA Addendum, the Sage Board delegated to MMA its
15 authority to "make all decisions relating to corporate and operational activities," including
16 the hiring of third-party entities (some of which turned out to be entities owned by or
17 affiliated with Razaghi or Attentus, LLC), all of the hospital's administrative, accounting,
18 and personnel responsibilities. The Sage Board effectively endowed Razaghi, through
19 his role with MMA, with complete control over Sage Memorial. The Sage Board's
20 primary purpose for entering into the First MMA Addendum was to improve Sage
21 Memorial's financial condition so they could obtain financing to build the new hospital.

22 49. The Sage Board relied on Razaghi's representations when they executed the
23 First MMA Addendum and retained MMA to manage Sage Memorial.

24 50. As compensation for MMA's management services, the Sage Board agreed
25 to pay MMA an amount not to exceed the annual development fee set forth in the February
26 7, 2007 contract. As a result, under the terms of the First MMA Addendum, Sage
Memorial was to pay (i) MMA \$650,000 to \$900,000 per year from 2007 to the promised
closing of financing in 2010 to develop a plan for building a new hospital, plus (ii) an

1 additional \$650,000 to \$900,000 per year until early 2010 to manage the operations of
2 Sage Memorial. The objective of the First MMA Addendum was for MMA to turn Sage
3 Memorial's financial condition around so it could obtain the financing Razaghi
4 represented he would obtain for the fee agreed to in the February 7, 2007 contract.

5 51. The First MMA Addendum gave Razaghi, through MMA, control over the
6 entire Sage Memorial hospital operations, including all aspects of the hospital's financial
7 operations.

8 52. The First MMA Addendum also gave MMA the right to hire a number of
9 people to perform work at Sage Memorial and seek reimbursement from Sage Memorial
10 for their compensation. MMA agreed to bill Sage Memorial for the additional personnel
11 without markup and at rates that were consistent with Sage Memorial's budgets and
12 allocations. MMA invoiced Sage Memorial for any employees it hired and charged Sage
13 Memorial a markup over and above the employees' actual cost.

14 53. Under the terms of MMA's various business relationships, Razaghi was
15 required to split the revenue generated by the First MMA Addendum with Morgan and
16 with Kory.

17 54. Even though the February 7, 2007 Contract with Sage Memorial
18 represented that Morgan would be part of the "development team" and the First MMA
19 Addendum continued the appearance that Manuel Morgan was a primary team member,
20 Morgan's involvement was almost non-existent after Razaghi had used him to obtain the
21 contracts for the Sage Memorial Hospital Project.

22 55. Despite his representations that he had the experience and expertise
23 necessary to run Sage Memorial and turn its financial condition around, Razaghi had
24 never managed or administered an operational hospital or any other significant business.

25 56. Under the First MMA Addendum, Razaghi split all of the revenue being
26 received from Sage Memorial with Morgan and Kory.

1 **The Attentus Agreements**

2 57. On December 3, 2007, MMA used its management role and authority to
3 persuade the Sage Board to approve a contract with Attentus, LLC, the limited liability
4 company owned by Razaghi and Kory (“Attentus Agreement”) and the forty-nine percent
5 owner of MMA that also receives two-thirds of profits. The Attentus Agreement
6 authorized an open scope of services that would be defined by separate Statements of
7 Assignment.

8 58. On December 3, 2007, MMA presented to the Sage Board a Statement of
9 Assignment authorizing Attentus to prepare a Strategic Development Financial Plan and
10 Architectural Application utilizing the same documents, and performing the same scope
11 of work, for which the Sage Board had retained MMA and for which it had agreed to pay
12 MMA \$650,000 to \$900,000 per year for three years.

13 59. On December 18, 2007, MMA presented to the Sage Board a Statement of
14 Assignment authorizing Sage Memorial to release to Attentus the sum of \$700,000 from
15 Sage Memorial’s short-term certificate of deposit. The Statement of Assignment
16 represented the funds would be used to install a fire sprinkler system at Sage Memorial.
17 Attentus had contracted with Firetrol, a company specializing in fire sprinkler
18 installations. Unbeknownst to the Sage Board, the price for the fire sprinkler system
19 installation was approximately \$15,000. The remaining \$685,000 was retained by
20 Attentus.

21 60. On January 29, 2008, MMA presented to the Sage Board another Statement
22 of Assignment authorizing Attentus to provide physicians to work at Sage Memorial as
23 independent contractors, but invoiced by Attentus. Attentus charged Sage Memorial a
24 marked up over and above the physician’s rate.

25 61. In FY 2007, Sage Memorial paid Morgan & Associates \$1,196,745.

26 **Sage Memorial’s P.L. 638 Contract**

 62. In June 2008, Sage Memorial entered into a contract with IHS for P.L. 638
funding. The funding agreement significantly increased Sage Memorial’s revenues. As

1 a result of the IHS contract funding, Sage Memorial's revenues increased from
2 \$10,175,265 in FY 2007 to \$10,720,130 in FY 2008 to \$13,072,579 in FY 2009.

3 **The March 2009 Agreement**

4 63. In March 2009, Sage Memorial and MMA amended their agreement for the
5 second time. ("Second MMA Addendum").

6 64. It became essential for Razaghi and MMA to modify the MMA Agreement
7 and the First MMA Addendum because Razaghi's plan had been to increase revenue for
8 Sage Memorial through P.L. 638 funding, not obtain financing to build a new hospital.

9 65. With the IHS funding contract and a steady stream of stable revenue in
10 place, Razaghi and MMA discontinued their efforts to obtain financing for the new
11 hospital by 2010. Instead, Razaghi worked to convince the Sage Board that a new hospital
12 building was no longer necessary. Meanwhile, Razaghi worked to develop opportunities
13 that would justify companies affiliated with him, MMA, or Attentus to invoice Sage
14 Memorial. Despite their representations in March 2007, they had not turned around Sage
15 Memorial's finances to enable the Sage Board to move forward with their desire to
develop and build a new hospital.

16 66. To induce the Sage Board to enter into the Second MMA Addendum,
17 Razaghi and Morgan told the Sage Board that they expected Sage Memorial's financial
18 condition to improve enough within several months to enable them to start development
19 activities on the new hospital. Based on those representations, the Sage Board agreed to
20 extend the date for obtaining financing for the new hospital from 2010 to 2013.

21 67. The Sage Board entered into a Second MMA Addendum on March 1, 2009,
22 which expanded Razaghi's role at Sage Memorial to formally designate him as Sage
23 Memorial's CEO. Under its terms, Razaghi agreed to personally undertake all
24 responsibilities for MMA's obligation to provide CEO services to Sage Memorial.
25 Razaghi assumed the responsibility for Sage Memorial and agreed to devote his time and
26 attention to fulfilling that role because his involvement with the Blue Mountain Hospital
Project was winding down and would conclude by June 30, 2009.

1 68. The Second MMA Addendum also modified MMA's compensation in three
2 material ways.

3 a. The Second MMA Addendum extended the \$650,000 to \$900,000
4 per year Hospital Development Fee in the MMA Agreement for three additional
5 years through 2013. The Hospital Development Fee had been paid to MMA even
6 though MMA had not done any meaningful work relating to the developing or
7 financing the hospital from February 2007 through the date of the Second MMA
8 Addendum.

9 b. The Second MMA Addendum increased the Management Fee from
10 \$650,000 to \$900,000 per year to \$900,000 per year plus an additional five percent
11 annual increase. The Management Fee was also extended through September 30,
12 2013.

13 c. In addition to the \$900,000 annual Management Fee, the Second
14 MMA Addendum also obligated Sage Memorial to pay Razaghi separately
15 (through MMA) an additional \$180,000 per year for his work as the CEO plus a
16 \$25,000 signing bonus. The Second MMA Addendum obligated Sage Memorial
17 to pay the additional \$180,000 per year for CEO work even though Sage Memorial
18 was already paying MMA \$900,000 per year for the same work.

19 69. In FY 2009, Sage Memorial paid Morgan & Associates \$2,728,178

20 70. In FY 2009, Sage Memorial paid Razaghi \$221,057 for CEO services.

21 71. In FY 2009, Sage Memorial paid Attentus Providers Group \$1,794,833 for
22 the physicians it referred to Sage Memorial.

23 72. Under the terms of the Second MMA Addendum, Razaghi continued to
24 split the Development Fees and Management Fees with Morgan and Kory. The only fee
25 Razaghi did not share with them was the new \$180,000 annual CEO fee.

26 **Razaghi Devises a Master Plan.**

 73. After his involvement at Blue Mountain terminated in June 2009, Razaghi
shifted his focus, time, and attention to Sage Memorial.

1 74. By October 2010, Razaghi had had more than two and a half years'
2 experience with Sage Memorial. He was also in full control of every aspect of Sage
3 Memorial's operations, including its finances.

4 75. As a result of his position at Sage Memorial, Razaghi knew how much
5 revenue Sage Memorial could anticipate receiving each year from IHS Revenue, how
6 much it could anticipate receiving from Medicare Revenue, and how much it could
7 anticipate receiving each year from Non-Government Revenue. He also knew what Sage
8 Memorial's expenses were anticipated to be each year and endeavored to keep Sage
9 Memorial's expenses for healthcare services, and the supplies needed to provide to
10 services, low. In addition, Razaghi had complete visibility into Sage Memorial's
11 anticipated future financial performance. As CEO, he had the complete control over Sage
12 Memorial. He had almost unfettered authority to make its decisions and direct its
13 activities.

14 76. By October 2010, Razaghi decided to do, by himself and for his own
15 benefit, what Morgan had suggested they could do together in October 2006: expand the
16 business idea he was using at Sage Memorial to other communities in the Navajo Nation
17 that wanted to develop or upgrade their medical services facilities.

18 77. To achieve his master plan, Razaghi decided to (a) cut Morgan and Kory
19 out of the Sage Memorial revenue stream so that he no longer had to share it, or any future
20 revenue streams, with them; (b) enrich himself by creating and taking increasingly greater
21 revenue from Sage Memorial for himself alone; and (c) expand his business from Sage
22 Memorial to other medical facilities serving communities in the Navajo Nation to
23 generate additional revenue streams.

24 78. Razaghi intended to use Sage Memorial's money and resources to
25 accomplish each part of his plan.

26 **Razaghi Removes Kory and Morgan**

 79. In October 2010, Razaghi notified Morgan and Kory that he did not intend
to continue the current business arrangements and intended to dissolve MMA, Attentus,

1 and another company known as Attentus Provider Group (“APG”), which invoiced Sage
2 Memorial for physician services. Razaghi also began withholding Kory’s share of the
3 payments received by MMA, Attentus and APG from Sage Memorial.

4 80. In April 2011, Kory sued Razaghi in Nevada state court alleging that
5 Razaghi was wrongfully withholding past payments owed to him and attempting to divert
6 future payments that would be owed to him under existing agreements between Sage
7 Memorial and MMA and APG. (“Kory State Court Litigation”).

8 81. The Kory State Court Litigation was a personal business dispute among the
9 partners in MMA, Attentus, and APG concerning the distribution of revenue received
10 from Sage Memorial among the partners of payments MMA, Attentus, APG. It did not
11 involve Sage Memorial’s business or its operations.

12 82. Even though the Kory State Court Litigation did not involve Sage Memorial
13 and even though Sage Memorial was not a party to the litigation, Razaghi used his
14 position as Sage Memorial’s CEO to cause Sage Memorial to pay his attorneys’ fees in
15 the Kory State Court Litigation.

16 83. Between April 2011, when Kory filed the Kory State Court Litigation, and
17 January 2013, when Razaghi and Kory settled, Sage Memorial paid Razaghi’s attorneys
18 the total sum of \$499,833.

19 84. In addition to paying the attorney’s fees, Razaghi’s settlement agreement
20 with Kory obligated him to pay Kory the sum of \$332,716. Razaghi used his position as
21 Sage Memorial’s CEO to cause the hospital to pay the settlement. After Sage Memorial
22 had paid for Razaghi’s settlement with Kory, an insurance company representing Razaghi
23 reimbursed him for \$231,961 of the settlement. Razaghi transferred the insurance
24 proceeds to Sage Memorial as a partial reimbursement for the Sage Memorial funds he
25 had used to litigate against Kory and settle Kory’s claims.

26 85. Razaghi also reached an agreement with Morgan. Under the terms of their
agreement, Morgan agreed to cease any involvement in business dealings with Sage
Memorial.

1 86. By January 2013, Razaghi had, therefore, removed both Morgan and Kory.
2 He alone controlled Sage Memorial and the associated revenue streams he had created.

3 **Razaghi Enriches Himself.**

4 87. Almost immediately after excluding Morgan and Kory from any further
5 involvement with Sage Memorial in October 2011, Razaghi used his position and his
6 complete control over Sage Memorial to substantially increase the amount of money he
7 was taking from Sage Memorial. Among other things:

8 a. Razaghi continued to pay MMA the full amount owing to it under
9 the MMA Contract and the First MMA Addendum for almost an additional two
10 years, through September 30, 2013. Pursuant to his agreements with Morgan and
11 Kory, Razaghi knew he would receive more than half of all amounts Sage
12 Memorial paid to MMA under the MMA Agreement and the First MMA
13 Addendum. Razaghi caused Sage Memorial to continue paying MMA even
14 though he had no intention of building the new hospital and even though he had
15 not made any meaningful effort to secure financing to develop the new hospital.

16 b. The CEO Services Contract. In November 2010, Razaghi persuaded
17 the Sage Board to approve a new management contract to replace the \$180,000
18 CEO agreement in the Second MMA Addendum (“CEO Services Contract”).
19 Instead of MMA, the CEO Services Contract was entered into with Razaghi
20 Healthcare, LLC, a limited liability company Razaghi formed in November 2010
21 (“Razaghi Healthcare AZ”). Razaghi was the sole member of Razaghi Healthcare
22 AZ. The CEO Services Contract increased Razaghi’s compensation above what
23 was provided in the Second MMA Addendum in a number of ways:

24 i. First, the CEO Services Contract increased Razaghi
25 Healthcare AZ’s base compensation for work as Sage Memorial’s CEO
26 from \$180,000 to \$364,000 plus additional sums under certain conditions.

1 ii. Second, the CEO Services Contract gave Razaghi Healthcare
2 AZ a \$25,000 one-time bonus in consideration for work he had done for
3 Sage Memorial through MMA.

4 iii. Third, the CEO Services Contract provided that the Sage
5 Board would review Razaghi Healthcare AZ's performance annually and
6 set an annual performance bonus.

7 iv. Fourth, the CEO Services Contract provided that Sage
8 Memorial would pay Razaghi Healthcare AZ a retention bonus equal to 240
9 hours at a rate of \$175 per hour each year. At \$175 per hour and 240 hours
10 per year, retention bonus amounted to an additional \$42,000 each year.

11 v. Fifth, the CEO Services Contract provided that Sage
12 Memorial would pay Razaghi Healthcare AZ, and more particularly,
13 Razaghi himself, employee benefits.

14 vi. Sixth, the CEO Services Contract entitled Razaghi Healthcare
15 AZ severance pay in the amount of \$364,000 if Sage Memorial terminated
16 the contract for cause and \$364,000 for each four years of Razaghi's service
17 as CEO. To ensure that Razaghi was immediately entitled to four years of
18 service as Sage Memorial's CEO, the CEO Services Contract stipulated that
19 Razaghi began serving as Sage Memorial's CEO in August 2007.

20 c. In FY 2011, Sage Memorial paid Razaghi Healthcare NV \$37,916.

21 d. In FY 2011, Sage Memorial paid \$515,189 to Razaghi Morgan
22 Healthcare ("Razaghi Morgan"), a company formed by Razaghi and Morgan
23 during the Kory State Court Litigation.

24 e. In FY 2011, Sage Memorial paid Manuel Morgan \$12,469.

25 f. In September 2012, Sage Memorial paid Razaghi Healthcare AZ a
26 bonus in the amount of \$1,842,549.27.

 g. In the FY 2012, Sage Memorial paid Razaghi Healthcare NV a total
 of \$1,925,237.

1 h. In FY 2012, Sage Memorial paid Morgan Razaghi a total of
2 \$1,731,258.

3 i. First Amendment to the CEO Services Contract. Razaghi Healthcare
4 AZ had assigned the original CEO Services Contract to Razaghi Healthcare NV in
5 January 2013. On May 17, 2013, the Sage Board approved the First Amendment
6 to the CEO Services Contract directly with Razaghi Healthcare NV. It was deemed
7 to be effective as of March 30, 2013. The First Amendment to the CEO Services
8 Contract increased Razaghi's compensation above what was provided in the
9 original CEO Services Contract in a number of ways:

10 i. First, though Razaghi Healthcare NV's hourly rate remained
11 \$175 per hour, the First Amendments to the CEO Services Contract
12 removed the \$364,000 cap, freeing Razaghi to bill far greater amounts for
13 his time.

14 ii. Second, the First Amendment to the CEO Services Contract
15 maintained the incentive fee.

16 iii. Third, the First Amendment to the CEO Services Contract
17 maintained the retention bonus that entitled Razaghi to additional
18 compensation in the amount of 240 hours per year at a rate of \$175 per hour.

19 iv. Fourth, the First Amendment to the CEO Services Contract
20 entitled Razaghi to severance pay in an amount of equal to the average
21 amount paid to Razaghi Healthcare NV by Sage Memorial each year during
22 the most recent four years of service.

23 v. Fifth, the First Amendment to the CEO Services Contract
24 entitled Razaghi Healthcare NV to require Sage Memorial to pay a "fair
25 market" rate for any of Razaghi Healthcare NV's employees that performed
26 services for Sage Memorial.

88. Even though Razaghi Healthcare NV had entered into the First Amendment
to the CEO Services Contract only two months earlier, and had agreed that his hourly

1 billing rate would be \$175 per hour, on or about May 20, 2013, Razaghi caused Razaghi
2 Healthcare NV to bill Sage Memorial \$530 per hour for his time, with a \$175 per hour
3 discount for a net rate of \$355 per hour. The Sage Board never approved increasing
4 Razaghi's hourly compensation above the \$175 per hour approved in the First
5 Amendment to the CEO Services Contract. Neither Razaghi nor Razaghi Healthcare
6 informed the Sage Board that Razaghi had begun billing for his time at the net rate of
7 \$355 per hour. He simply started billing at the higher rate. ("First Razaghi Compensation
8 Fraud").

9 89. Razaghi Healthcare NV and Razaghi were able to conceal the First Razaghi
10 Compensation Fraud because they controlled the people at Razaghi Healthcare who
11 prepared the bills, the people at Sage Memorial who received, reviewed, and approved
12 the bills, and the people at Sage Memorial who paid the bills.

13 90. In FY 2013, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
14 the sum of \$2,997,668 in total compensation.

15 91. In FY 2014, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
16 more than \$2,580,164 just for compensation attributable to management fees, incentive
17 fees, and retention bonuses and paid Razaghi Healthcare NV an additional \$4,074, 885,
18 for a total amount of \$6,655,019.

19 92. Beginning in or around May 2015, Razaghi Healthcare continued billing
20 Sage Memorial \$530 per hour for Razaghi's time, but reduced the discount from \$175 per
21 hour to \$30 per hour, resulting in a net rate of \$495 per hour. Razaghi Healthcare altered
22 Razaghi's compensation rate even though the First Amendment to the CEO Services
23 Contract still contractually authorized only \$175 per hour. Razaghi Healthcare increased
24 Razaghi's hourly rate without knowledge, approval, or consent of the Sage Board.
25 Because they completely controlled Sage Memorial, Razaghi caused Sage Memorial to
26 pay the invoices billing Razaghi's time at the net rate of \$495 per hour.

93. In FY 2015, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
more than \$2.6 million just for compensation attributable to management fees, incentive

1 fees, and retention bonuses and paid Razaghi Healthcare NV a total amount of
2 \$8,209,646.

3 94. On or about August 3, 2016, Razaghi Healthcare NV invoiced Sage
4 Memorial for a bonus in the amount of \$6,785,000. Razaghi caused Sage Memorial to
5 pay the invoice.

6 95. In FY 2016, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
7 more than \$9.4 million just for compensation attributed to incentive fees, management
8 fees, and retention bonuses and excluding hourly compensation for himself or any
9 Razaghi Healthcare NV employees.

10 96. In FY 2017, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
11 more than \$2,808,697 million just for compensation attributed to incentive fees,
12 management fees, and retention bonuses and excluding hourly compensation for himself
13 or any Razaghi Healthcare NV employees.

14 97. In FY 2018, Razaghi caused Sage Memorial to pay Razaghi Healthcare NV
15 more than \$13.3 million for compensation attributed to incentive fees, management fees,
16 and retention bonuses, including the \$10.8 Million Razaghi and Hasan fraudulently
17 transferred from Sage Memorial's bank accounts in August 2018, but excluding hourly
18 compensation for himself or any Razaghi Healthcare NV employees.

18 **Razaghi Begins to Build His Empire**

19 98. After developing a sufficient and consistent stream of income from Sage
20 Memorial, Razaghi began work to expand this business to medical facilities in other
21 communities in the Navajo Nation.

22 99. Razaghi's plan involved duplicating the model he had been using at Sage
23 Memorial: (1) locate communities in the Navajo Nation that wanted to build new, or
24 upgrade existing, medical facilities, (2) help the communities obtain tribal designations
25 from the Navajo Nation so the medical facilities could contract directly with IHS for a
26 steady stream of funding, (3) enter into management contracts, virtually identical to the
CEO Services contracts with Sage Memorial, that would give Razaghi complete control

1 over all aspects of the medical facilities' operations and finances, (4) provide lucrative
2 compensation packages for himself and the specific entities he created to manage each
3 facility.

4 100. Beginning in 2017, Razaghi started working with a number of communities
5 in the Navajo Nation. Among others, Razaghi entered into agreements with, or proposed
6 agreements to, communities seeking medical facilities in Four Corners Regional Health
7 Center, Four Corners, Arizona; Tse'Bit'a'i' Health Center Corporation, Shiprock, New
8 Mexico; Dzil Na' Oodilii Health Corporation in New Mexico (collectively, the "Razaghi
9 638 Entities").

10 101. At various Sage Board meetings, Razaghi informed the Board about his
11 efforts in other Navajo Nation communities and solicited the financial support from the
12 Sage Board for some startup costs associated with the Razaghi 638 Entities. He also used
13 the Sage Board members as props to promote his new ventures and to receive, for himself,
14 the benefits of establishing medical facilities as tribal organizations, fund them through
15 IHS, and delegate management of the facility to Razaghi.

16 102. Though Razaghi reported to the Sage Board about his involvement with the
17 Razaghi 638 Entities, he concealed the full nature and extent to which he was using Sage
18 Memorial funds to expand his business to the Razaghi 638 Entities. For example, Razaghi
19 did not inform the Sage Board that he was billing Sage Memorial for significant amounts
20 of time Razaghi Healthcare employees, including Razaghi, spent working on the Razaghi
21 638 Entities. Razaghi did not inform the Sage Board that he would cause Sage Memorial
22 to reimburse Razaghi Healthcare NV for lawyers' fees, consultants' fees, and lobbyists'
23 fees that were being used exclusively to develop the Razaghi 638 Entities and for which
24 Sage Memorial would never be reimbursed.

25 103. From 2017 through August 2018, when he ceased controlling Sage
26 Memorial, Razaghi used his complete control over Sage Memorial and, in particular, Sage
Memorial's financial resources to fund the expansion of his personal business ventures.

Razaghi And Razaghi Healthcare NV Are Accused Of Committing A Massive Fraud On The Federal Government

104. On October 16, 2014 several whistleblowers (which included physicians, dentists and the former Controller of Sage Memorial) filed a complaint in the United States District Court for the District of Arizona, Case No. 3:14-cv-8196-PCT-SRB, naming Razaghi and others with having violated the False Claims Act, 31 U.S.C. § 3729 et. seq., from 2007 onwards.

105. Later, the whistleblowers filed a First Amended Complaint on August 31, 2016 which alleged, among other things, the following: “[a]t the center of the fraudulent activity that caused violations of the FCA is Defendant Ahmad Razaghi who devised a massive scheme through which he abused his relationship with [Sage Memorial] to divert millions of dollars of federal funds provided by federal programs and contracts from Sage to himself and the other [d]efendants” and that “Razaghi caused Sage to enter into contracts with individuals and related business entities over which he exercised control and undue influence, all to siphon federal funds to himself and away from their intended purposes.” *See* Exhibit A.

106. Razaghi used Sage Memorial’s funds to pay his attorneys to both defend the claim and to file a defamation claim against the whistleblowers.

Sage Memorial Receives Over \$122 Million In Settlement Money From The Federal Government On The Condition That Razaghi Cannot Personally Benefit From The Settlement

107. Around the same time the whistleblower complaint was pending, the Indian Health Service (“IHS”) notified Sage Memorial that its contracts with the federal government would not be renewed. Sage Memorial responded by initiating litigation on October 23, 2014 in the United States District Court for the District of New Mexico, Case No. 1:14-cv-0958-JB-KBM, naming Sylvia Burwell, in her official capacity as the Secretary of the United States Department of Health and Human Services (of which IHS is a component agency), as a party-defendant.

108. In addition to claims challenging a lack of funding by IHS, the *Burwell* lawsuit also alleged that the federal government had breached a number of prior contracts

1 from 2009 through 2013. The federal judge presiding over that case wrote a decision
2 detailing the history of the parties' dealings. *See Navajo Health Foundation – Sage*
3 *Memorial Hospital, Inc. v. Burwell, et. al.*, 263 F.Supp.3d 1083 (D.N.M. 2016).

4 109. The United States eventually agreed to a settlement (in principle) of the
5 litigation with Sage Memorial on or about December 16, 2016. The United States agreed
6 to pay the hospital \$122,500,000.00. The settlement document memorializing the parties'
7 agreement provided that payments must be used to fund Indian healthcare services,
8 including ancillary services to the hospital or for any other legitimate healthcare purpose.
9 However, the settlement agreement also expressly prohibited the hospital from providing
10 payment to any management company or affiliated entity. Notably, the agreement also
11 singled out Razaghi by name by further providing that “[i]f Ahmad R. Razaghi or any
12 current officer or officer-level employee of a Razaghi-related entity is convicted of a
13 felony crime of fraud related to the management of [the] [h]ospital or any federal health
14 care program operated by [the Hospital] within 5 years of the effective date of this
15 Settlement Agreement, IHS may conduct additional monitoring on the expenditure of the
16 Settlement sum” This provision clearly evinced the federal government’s concerns
17 regarding Razaghi’s potential for fraudulent conduct.

18 110. Following Sage Memorial’s agreement to resolve the *Burwell* litigation,
19 and with knowledge of the amount of money Sage Memorial would be receiving and the
20 federal government’s insistence on his exclusion as an explicit condition of the settlement,
21 there was a marked change in Razaghi’s attitude and behavior. He became increasingly
22 resentful of what he told others was a windfall for “the Indians” which he believed he
23 should have been given credit for and received some benefit from.

24 111. With the federal government having expressly excluded Razaghi and
25 Razaghi Healthcare NV from receiving any of the settlement funds paid to Sage
26 Memorial, Razaghi had to devise a scheme to justify even more compensation than he
had previously been taking from Sage Memorial.

Razaghi Defrauds Millions of Dollars From Sage Memorial Through Systemic Overbilling and Billing Plaintiff for Razaghi's Personal Expenses and RAZAGHI HEALTHCARE NV Expenditures.

112. From May 1, 2015 (and before) through August 31, 2018, Razaghi Healthcare NV utilized its near complete control over the administration of Sage to systematically bill the Plaintiff for personal expenditures of Razaghi; bill Plaintiff for services to third parties who in fact did not render services to the Plaintiff but instead rendered services to Razaghi Healthcare NV or the racketeering enterprise described more fully below; and bill Plaintiff for services which were not actually rendered by Razaghi Healthcare NV but reimbursed to Razaghi Healthcare NV by Plaintiff. Razaghi Healthcare NV's near total control over the administration of the Plaintiff's finances enabled Razaghi Healthcare NV to illegally bill Plaintiff for these inappropriate and illegal services, which are identified in Invoices which were e-mailed to Plaintiff on a monthly basis for years. Each wiring of an invoice to Plaintiff caused by the Defendants contained multiple entries of unwarranted and unsupported services and constitutes racketeering activity, which will be delineated in detail further in this FAC [See Invoice Fraud Predicate Acts].

Razaghi Defrauds \$10.8 Million From Sage Memorial Under The Pretense Of A Contract Dispute

Based Upon Omissions And Concealment Of Material Facts During A Board Meeting, The Sage Board Approves An Unconscionable Contract Which It Had No Meaningful Opportunity To Review And For Which There Was No Urgency To Approve Except To Benefit Razaghi.

113. Approximately six months after the federal government had agreed in principle to pay Sage Memorial over \$122.5 million, Razaghi determined that he should have a new management contract in place, even though the existing contract was not scheduled to expire for another three years. To that end, a Sage Board meeting was called on June 16, 2017 at which time Stephen Hoffman, ostensibly acting as special counsel on behalf of Sage Memorial, urged the Sage Board to approve a second amendment to Razaghi Healthcare NV's original contract which was more favorable to Razaghi than the First Amendment to the CEO Services Contract. As Sage Memorial's special counsel,

1 Hoffman owed the corporation duties of loyalty, honesty and good faith. He stood in a
2 trusted, fiduciary relationship with Sage Memorial and the Sage Board. The Sage Board
3 at the time consisted of the following six individuals: Stenson Wauneka, Andrew
4 Simpson, Linda Yazzie, Maybelle Kelewood, Joyce Moore and Ray Ann Terry. None of
5 the members of the Sage Board, with the possible exception of Wauneka, had been
6 provided with a copy of the agreement by Hoffman or anyone else prior to the June 16,
7 2017 meeting, despite the fact that the Sage Board rules and custom required that
8 members be provided with important documents 24-hours in advance of any meeting so
9 they could conduct a meaningful review prior to any vote being taken. None of the
10 members of the Sage Board had any formal legal training or knowledge about contract
11 interpretation. In addition, English is neither the native or first language of many of the
12 members of the Sage Board.

13 114. Hoffman presented the second amended management services contract to
14 the Sage Board through a power point presentation and recommended they approve it by
15 simply voting “yes.” Insufficient details were provided by Hoffman regarding the
16 implications of the various contract provisions/changes set forth in the 17-page
17 agreement, especially with respect to section 5.D of the contract. That provision
18 bestowed an extremely lucrative “termination payment” upon Razaghi in the event he
19 terminated the contract or the Sage Board terminated it for certain reasons

20 115. With respect to the termination payment provision of the second amended
21 management services contract, the language of the contract (section 5.D(2)) provided the
22 following:

23 In the event that this Contract expires, or RH terminates this
24 Contract for cause, or the Corporation elects to terminate this
25 Contract at any time prior to expiration of this Contract for
26 any Reason other than those listed as “cause” in Section 4.A,
**the Corporation shall, in addition to any other amounts
due under this Contract, pay RH a Termination Payment
in an amount equal to the average of the amount paid to
RH by the Corporation each year during the most recent
four years of service, including the year of expiration or
termination,** which shall be prorated through the actual date
of such expiration or termination.

1 (emphasis supplied). Hoffman, acting as the Sage Board's attorney, but whose invoices
2 for fees were approved and paid by Razaghi Healthcare NV employees with Sage money,
3 recommended that the Sage Board approve this exceptionally unfavorable and one-sided
4 contract. Hoffman did not fully or adequately explain the terms of the Second
5 Amendment to the CEO Services Contract. He did not identify potentially
6 disadvantageous provisions that he thought the Sage Board should examine closely or
7 take time to understand.

8 116. In addition to the termination payment clause, the Second Amendment to
9 the CEO Services Contract extended the contract to the year 2025.

10 117. The version of the Second Amendment to the CEO Services Contract
11 presented to Sage Board, approved by the Sage Board, and signed by Chairman Wauneka
12 on behalf of the Sage Board in June 2017 specifically provided that the hourly rate for
13 Razaghi's time \$175 per hour. The same rate the Sage Board previously approved in
14 2013 as part of the First Amendment to the CEO Services Contract.

15 118. Razaghi and Hasan also continued to conceal the First Razaghi
16 Compensation Fraud. Even though the June 2017 version of the CEO Services Contract
17 represented that Razaghi's billing rate would be \$175 per hour, Razaghi Healthcare,
18 Razaghi, and Hasan did not inform the Board that Razaghi Healthcare (i) had been billing
19 Razaghi's time at a net rate of \$355 per hour since May 2013, (ii) had been billing
20 Razaghi's time at a net rate of \$495 per hour since May 2015, and (iii) intended to
21 continue billing Razaghi's time at \$495 per hour notwithstanding their representations in
22 the Second Amendment to the CEO Services Contract that Razaghi would bill his time at
23 \$175 per hour (the "Second Razaghi Compensation Fraud").

24 119. In addition to concealing both the First Razaghi Compensation Fraud and
25 the Second Razaghi Compensation Fraud, the Second Amendment to the CEO Services
26 Contract stated it would become effective retroactively to July 6, 2016, almost one year
earlier.

1 120. One year prior to the execution of the Second CEO Amendment to the CEO
2 Services Contract, the Sage Board approved an “escrow account.” This account was
3 established on June 16, 2016 but subsequently modified by a hand-written change and
4 made effective on July 6, 2016 which was exactly 20-days after the effective date of the
5 Second Amendment of the CEO Services Contract. Upon information and belief,
6 Razaghi modified the effective date of the escrow account to benefit himself under the
7 terms of the Second Amendment to the CEO Services Contract.

8 121. The escrow account was established at Wells Fargo bank and funded with
9 approximately \$4.3 million. The sole purpose of the account was to pay money upon
10 termination under specific circumstances. Razaghi on behalf of Razaghi Healthcare NV
11 acknowledged this fact when he signed the Escrow Agreement.

12 122. In furtherance of the effort to conceal the First Razaghi Compensation
13 Fraud and the Second Razaghi Compensation Fraud, Razaghi Healthcare NV and
14 Razaghi, in December 2017, presented the Sage Board with what he represented was the
15 same Second Amendment to the CEO Services contract presented to, and previously
16 approved by, the Sage Board in June 2017. He represented to the Sage Board that the
17 new version of the Second Amendment to the CEO Services Contract consisted of nothing
18 more than “corrections to minor typographical errors.”

19 123. In furtherance of the effort to conceal the First Razaghi Compensation
20 Fraud and the Second Razaghi Compensation Fraud, Razaghi did not disclose that the
21 December 2017 version of the Second CEO Services Contract increased his compensation
22 from \$175 per hour to \$495 per hours. Razaghi knowingly and intentionally deceived the
23 Sage Board when he concealed the truth about his compensation and materially omitted
24 informing the Sage Board that one of the “minor typographical” corrections involved
25 increasing Razaghi’s hourly rate from \$175 per hour to \$495 per hour and that the rate
26 increase would be retroactive to June 2016. (“Third 2017 Razaghi Compensation Fraud”).
Had the Sage Board been told the truth concerning Razaghi’s billing rate and the history
of how he came to be paid \$495 per hour, the Sage Board would not have approved the

1 December 2017 version of the Second CEO Services Contract and would have taken
2 action concerning Razaghi's deceptive billing.

3 124. After the Sage Board was deceived into approving the December 2017
4 version of the Second Amendment to the CEO Services Contract, Razaghi and Sage
5 Board Chairman Wauneka manipulated the document to make it appear as though it was
6 the same version of the Second Amendment to the CEO Services Contract approved by
7 the Sage Board in June 2017. Because of the manipulations, observers would not realize
8 the June 2017 and December 2017 versions of the Second Amendment to the CEO
9 Services Contract contained materially different terms.

10 **With A Favorable Contract In Place That Was Approved Under Dubious**
11 **Circumstances, Razaghi Engineers The Fraudulent Taking Of \$10.8 Million**
12 **Under The Pretense Of A Contract Dispute**

13 125. On July 11, 2018 Nicole Hardy ("Hardy"), an accounts specialist in the
14 finance department of Sage Memorial, received an email request from Razaghi conveyed
15 through Tom Matenaer ("Matenaer"), the hospital's Controller, to produce a "cost report"
16 (billing rates v. discount rates) for the period 2014 through 2017.

17 126. On July 16, 2018, Hardy completed the cost report spreadsheet and emailed
18 it to Matenaer and Sage Memorial's staff accountant, Mary Arave ("Arave"). Both
19 Matenaer and Arave were hired as contract employees by Razaghi through the Robert
20 Half staffing company.

21 127. On July 2018, Razaghi contacted Christi El-Meligi ("CEM") and Netrishia
22 Dalgai ("Dalgai"), both Razaghi Healthcare NV employees, assigned by Razaghi to work
23 at Sage Memorial, to tell them they were "doing a great job." CEM was assigned to work
24 at Sage Memorial as Co-CEO (serving alongside Razaghi) and Dalgai was assigned to
25 serve as Chief Operating Officer ("COO").

26 128. On July 19, 2018, CEM held a meeting with Matenaer and Sage Memorial's
human resources director Gary Pahe to discuss Sage Memorial's obligation to comply
with Navajo Nation preference in employment laws and issues related to the finance
department and issues with then incomplete financial audits.

1 129. On July 20, 2018, without any prior notice, Razaghi circulated an email
2 informing staff that CEM was to be “re-assigned and would be removed” from her
3 position at Sage. Later that same day, Sage Board member Ray Ann Terry circulated an
4 email to Sage Board members to request a special meeting to discuss issues/concerns with
5 respect to the Razaghi Healthcare NV contract and removal/reassignment of CEM.

6 130. On July 23, 2018 the Sage Board held a special meeting and discussed
7 retaining independent counsel to review and advise them on the Razaghi Healthcare NV
8 management contract. The Sage Board concluded that this independent counsel should
9 not be someone selected by Razaghi, as he had done with Hoffman and others. Razaghi
10 strongly objected to this decision and, via email, requested a copy of “the current Sage
11 bylaws and conflict of interest policy.” A short while later, the Sage Board engaged
12 attorney Jeff Davis, Esq. (“Davis”) of the national and well-respected law firm Barnes &
13 Thornburg, LLP to review the second amended agreement and Razaghi’s relationship
14 with Sage Memorial. After engaging Davis, a former federal prosecutor, the Sage Board
15 had approximately five meetings with him and one meeting with an independent financial
16 auditor to determine the state of affairs with Sage Memorial’s finances and the
deficiencies related thereto.

17 131. In response to his failed efforts to stop the Sage Board from engaging
18 independent counsel, Razaghi convened an emergency meeting between himself and his
19 Razaghi Healthcare NV management staff. Razaghi invited Sage Board Chairman
20 Wauneka to attend this meeting but excluded the other Sage Board members.

21 132. By letter dated August 2, 2018 (mailed and emailed that same day), counsel
22 for Razaghi Healthcare NV and Razaghi (Christopher Stachowiak) wrote to Board Chair
23 Wauneka (who had only days earlier met one-on-one with Razaghi and was on friendly
24 terms with him) notifying him of “prospective breaches and/or interference” with the
25 management contract with Sage. In support of this broad allegation, Stachowiak’s letter
26 cited “unauthorized communications and actions between certain Board members and
Christi El-Meligi and Netrishia Dalgai.” Stachowiak’s letter opined that this amounted to

1 “contract interference and a material breach of the contract.” The letter concluded by
2 stating “any attempt by the Board to cause the Contract to expire or terminate early will
3 result in Corporation’s immediate obligation to pay the Termination Payment to Razaghi
4 Healthcare NV in accordance with the Contract, which will be several million dollars.”
5 Notwithstanding the letter’s reference to an “immediate obligation,” the second amended
6 CEO services contract specifically provided Sage Memorial with a 30-day cure period –
7 a fact that went unmentioned in Stachowiak’s letter. Accordingly, to the extent the
8 August 2, 2018 letter was notification of a prospective breach, the Sage Board on behalf
9 of Sage Memorial would have had until September 2, 2018 to cure any breach under the
10 terms of the contract that Razaghi himself urged the Sage Board to ratify.

11 133. On August 13, 2018, Wauneka sent an email to Davis and two other Sage
12 Board members, with Razaghi copied on the email, in which he stated “I believe we are
13 at a point in time where the question is whether the Board wants to continue its relation
14 with Razaghi Development Company, LLC.” The email was received by the recipients
15 as suggesting the Chairman of the Sage Board himself believed that Sage Memorial was
16 in breach of the CEO services contract and was perceived as nothing more than an attempt
17 to bolster the August 2, 2018 letter by Stachowiak. The Sage Board’s independent
18 counsel Davis responding by stating the following:

19 Mr. Stenson I have yet to meet you via e-mail, telephone or
20 otherwise. Thank you for sending the e-mail, I see you have
21 included Mr. Razaghi, the CEO. **I would respectfully**
22 **disagree with your statement that the Board is [at] a point**
23 **where the question is whether the Board wants to**
24 **continue its relationship with Razaghi Development**
25 **Company. Quite the contrary, I have had the pleasure of**
26 **talking with other Board members and they are ready and**
willing to work with all and invigorate the Board so that it is
an equal partner in insuring that members of the Navajo
Nation are provided services by Sage Memorial Hospital
received the best possible medical treatment and programs at
a cost-efficient medical facility.

(emphasis added).

134. On August 20, 2018 the Sage Board convened an executive session
meeting, with Davis and the hospital’s independent financial auditor Heather Grech

1 (“Grech”) appearing by telephone conference call. Apart from the Sage Board, Davis and
2 Grech, no one else was present in the room. The three main topics discussed during that
3 meeting were the Sage/Razaghi Healthcare NV management contract, payments made to
4 Razaghi Healthcare NV and finally the fact that the Sage Board would not be approving
5 an incentive bonus for Razaghi that year due to the mismanagement of Sage Memorial’s
6 finance department and issues surrounding the audit being performed at the same time.
7 The information that Razaghi was not going to be paid an annual incentive bonus was
8 relayed to him by his staff. After learning that the Sage Board was not going to pay
9 Razaghi Healthcare NV an incentive bonus, Razaghi devised a plan to take \$10.8 million
10 from Sage Memorial (“\$10.8 Million Fraud”).

11 135. Seven days after the August 20, 2018 meeting, or on August 27, 2018,
12 Razaghi caused the fraudulent taking of more than \$10.8 million from Sage Memorial.
13 Specifically, the following occurred:

14 a. At approximately 9 a.m., Hardy received a telephone call directly
15 from Hasan, the contract CFO employed by Razaghi Healthcare NV but with
16 fiduciary duties owed to Sage Memorial, requesting status and payment on three
17 invoices sent that same day. In submitting these invoices, Razaghi Healthcare NV
18 and Razaghi made “representations” regarding the legitimacy of the statements
19 contained therein which, at the time they were made, they knew were not true.

20 b. Hardy checked the invoices and determined the total was
21 \$11,048,517.71. Invoice #1369 was for a total of \$10,855,134.15. Hardy checked
22 for backup documents and determined there were none – the only attachment was
23 her July 16, 2018 “cost report” spreadsheet. Finally, Hardy discovered the “re” on
24 the invoice merely referenced a “Contract Termination Fee, Section 5.D.” Worried
25 about the size of the invoice, never having processed such a large amount and
26 seeing that there was no backup and the invoice only referenced a contract
provision, Hardy went to her supervisor Arave and then ultimately to Arave’s
supervisor Matenaer. Matenaer advised Hardy that he would speak to Hasan about

1 the matter, specifically to request the backup documents and to obtain information
2 regarding the coding issues.

3 c. Following a short break, Hardy returned to the office and noticed
4 Matenaer's inquiry e-mail to Hasan on the two issues – the lack of backup
5 documents and coding issues. However, in the meantime, she also discovered that
6 Hasan, the CFO and Matenaer's superior, had left a message for her to call him
7 back immediately. Upon returning his call, Hardy was ordered by Hasan to
8 immediately input the invoices into Sage Memorial's electronic banking system
9 for payment and to code the payment for invoice #1369 as "Management Services
10 Fees" so that he could approve the payment to Razaghi Healthcare NV.

11 d. At 10:50 a.m., Hardy completed inputting invoice #1369 into Sage
12 Memorial's payment system (Meditech Financial Management System) and Sage
13 Memorial's online banking portal.

14 e. At 10:53 a.m., Hardy notified Hasan that she has completed
15 uploading invoice #1369 in Sage Memorial's payment system.

16 f. At 10:59 a.m., Hasan accessed Sage Memorial's system and
17 transferred \$500,000.00 from the hospital's IHS Funding Account and
18 \$10,855,000.00 from Sage's Third-Party Revenue Account to Sage's General
19 Operating Account to cover the additional outstanding checks in order to avoid an
20 overdraft and ensure the payment of the \$10.8 million invoice.

21 g. At 11:02 a.m., Hasan, as contract CFO, approved a \$10.8 million
22 payment to Razaghi Healthcare NV. Pursuant to the scheme to defraud, Razaghi
23 Healthcare NV was paid by "automated clearing house" or ACH payment instantly
24 and the funds were taken from Sage Memorial's General Operating Account at
25 Wells Fargo – not the Escrow Account, which had been created for the specific
26 purpose of paying the termination fee. Razaghi was aware that in order to release
any funds from the Escrow Account, he would need a second signature from a
member of the Sage Board. Therefore, pursuant to the scheme to defraud, Razaghi

1 and Hasan used their access to, and control over, Sage Memorial's bank accounts
2 to fraudulently initiate and approve the transfer of \$10.8 million from Sage
3 Memorial's bank account to Razaghi Healthcare NV's bank account.

4 h. The invoice for this payment falsely stated that Sage Memorial owed
5 Razaghi Healthcare NV \$10,855,134.15. At the time the invoice was submitted,
6 both Razaghi and Hasan knew the invoice was false.

7 i. These fraudulent acts were also concealed from the Sage Board,
8 which was unaware of the misappropriation of the \$10.8 million from Sage
9 Memorial's bank account until the afternoon of August 30, 2018 when a Sage
10 Memorial Employee contacted one of the Sage Board members concerning the
11 unauthorized wire transfer which was sent in furtherance of the scheme to defraud.
12 The Sage Board immediately contacted attorney Jeff Davis to inform him of the
13 misappropriation. The Sage Board then met with Mr. Davis the next morning to
14 draft and vote on a resolution to terminate the Second CEO Services Contract. The
15 Sage Board unanimously voted to terminate the contract immediately and
16 instructed the staff of Sage Memorial to secure its bank accounts.

17 136. Meanwhile, after having just misappropriated \$10.8 million from Sage
18 Memorial's bank account, Razaghi sent a letter to the Sage Board dated August 29, 2018
19 expressing his "concerns over the state of the Board of Directors" and "an invalid
20 purported agreement with a Michigan attorney." The "Michigan attorney" referenced by
21 Razaghi was Davis. In his letter Razaghi, an independent contractor with the hospital,
22 notified the Sage Board that Davis "has no authority to represent Navajo Sage under
23 governing Navajo law and will not be paid . . ." The import of this letter, among other
24 things, was that it demonstrated that not only did Razaghi control the hospital's finances
25 and who would and would not be paid, but he believed he could control the Sage Board's
26 determination regarding the selection of its own legal counsel – a fact presumably not lost
on attorneys Hoffman and Stachowiak both of whom were copied on the letter.
Notwithstanding Razaghi's directives to the Sage Board, his letter notably failed to

1 disclose that only two days earlier he had withdrawn more than \$10.8 from the hospitals
2 general operating account. Oddly, if he believed he was entitled to that money because
3 the Sage Board had breached his contract and that the contract was terminated, why did
4 he believe he could continue lecturing and dictating to the Sage Board who it could retain
5 as its own legal counsel among other things? The letter simply demonstrates the sheer
6 contempt, condescension and arrogance Razaghi held toward the Sage Board.

7 **Razaghi Attempts to Continue to Defraud Sage Memorial Following His**
8 **Termination**

9 137. After fraudulently misappropriating more than \$10.8 million from Sage
10 Memorial, and after the Sage Board voted to terminate the Second CEO Services
11 Contract, Razaghi continued to attempt to defraud the hospital for the following matters
12 through the use of electronic mail by seeking payments for services never rendered:

- 13 a. September 11, 2018 (invoice #1370) in the amount of \$31,678.32 for
14 credit card, legal and executive leadership services;
- 15 b. September 6, 2018 (invoice #1371) in the amount of \$74,448.08 for
16 management incentive services fee;
- 17 c. September 6, 2018 (invoice #1372) in the amount of \$129,986.76 for
18 management consulting services;
- 19 d. September 6, 2018 (invoice #1373) in the amount of \$106,120.38 for
20 executive leadership, legal and professional services;
- 21 e. October 4, 2018 (invoice #1374) in the amount of \$156,694.93 for
22 management consulting services (with interest charges);
- 23 f. November 1, 2018 (invoice #1382) in the amount of \$129,331.55 for
24 management consulting services (with interest charges);
- 25 g. November 27, 2018 (invoice #1383) in the amount of \$511,395.11
26 for management consulting services for “transition period” (with interest charges);
- h. December 1, 2018 (invoice #1384) in the amount of \$443,996.71
(with interest charges) for “legal and professional expenses;”

1 i. January 2, 2019 (invoice #1385) in the amount of \$235,873.85 (with
2 interest charge) for “management consulting services” and “incentive fees.”

3 138. Many of these invoices, while seeking exorbitant sums, totaling close to
4 \$1.9 million, provide little to no backup such that the hospital can meaningfully discern
5 what it is being requested to pay for beyond vague references to “management services.”

6 139. After the filing of the initial Complaint on February 22, 2019, through the
7 present time, Razaghi and, upon information and belief, persons under his control, have
8 improperly contacted the Plaintiff’s Board of Directors and Officers through text
9 messages and other means, ostensibly to put pressure on the Board to withdraw this
10 Complaint. Even after his involvement at Sage Memorial ended, Razaghi Healthcare NV,
11 Razaghi, and Hasan continued to attempt to defraud Sage Memorial through the
12 transmittal by e-mail (wire) invoices for payment of services not rendered to Sage
13 Memorial or not for the benefit of Sage Memorial.

14 **Fraudulent Concealment.**

15 140. Until the Sage Board terminated Razaghi Healthcare NV and excluded it
16 from its role as CEO, Sage Memorial had no knowledge of Razaghi Healthcare NV’s
17 conduct and the violations alleged in this Fourth Amended Complaint. Furthermore, until
18 it took control over its business, financial, and administrative operations and, thereafter,
19 conducted its own review and investigation, Sage Memorial could not have discovered
20 Razaghi Healthcare NV’s conduct or violations by the exercise of due diligence because,
21 among other things, Razaghi Healthcare NV, Razaghi, and Hasan took active steps to
22 conceal and avoid disclosure of its misconduct.

23 141. From March 2007 through August 31, 2018, Razaghi, MMA, Razaghi
24 Healthcare AZ, Morgan Razaghi Healthcare, Razaghi Healthcare NV (collectively, the
25 “Razaghi Entities”) had, at the various times described in this Fourth Amended
26 Complaint, complete control over Sage Memorial. Their control extended to every
27 material aspect of Sage Memorial’s business, operations, and financial activities. Among
28 other things:

1 a. All of the non-medical employees who worked at Sage Memorial
2 were actually employees of Razaghi Healthcare NV and were directed and
3 supervised by Razaghi Healthcare NV, Razaghi, and Hasan. In particular, all
4 employees who were responsible for creating, reviewing, transmitting, and paying
5 Razaghi Healthcare NV invoices were Razaghi Healthcare NV employees. No
6 independent Sage Memorial employees were involved in the invoice generation,
7 review, and payment process.

8 b. The Chief Financial Officer for Razaghi Healthcare NV was also the
9 Chief Financial Officer for Sage Memorial. Accordingly, Sage Memorial had no
10 independent financial supervision.

11 c. Razaghi Healthcare NV, Razaghi, and Hasan controlled the input,
12 and any decision-making related to the input, of all information into the Sage
13 Memorial accounting and financial reporting systems.

14 d. Razaghi Healthcare NV, Razaghi, and Hasan effectively removed all
15 controls and all checks and balances companies typically implement to ensure the
16 proper expenditure of funds.

17 e. Razaghi Healthcare NV, Razaghi, and Hasan the preparation,
18 creation, and dissemination of business information, including financial
19 information, relating to Sage Memorial, making him responsible for the financial
20 operations of both companies.

21 f. Razaghi Healthcare NV, Razaghi, and Hasan maintained, and
22 operated, a deficient accounting system that did not create audit trails tracking
23 modifications. The accounting system did not record when changes to financial
24 information were made, who made the changes, or what changes were made.

25 g. Razaghi Healthcare NV, Razaghi, and Hasan would not disseminate
26 financial information relating to Sage Memorial to Sage Board members until the
day of Board meetings, would generally discuss the information only in executive

1 sessions where Board members were not allowed to take notes and after which all
2 financial information was retrieved from the Board members.

3 h. Razaghi Healthcare NV, Razaghi, and Hasan carefully curated the
4 information it disclosed to the Sage Board.

5 i. Razaghi Healthcare NV, Razaghi, and Hasan moved funds amount
6 Sage Memorial bank accounts as needed to distort Sage Memorial's financial
7 performance.

8 142. As a result of Razaghi Healthcare NV's, Razaghi's, and Hasan's complete
9 control over all material information, Sage Memorial did not have access to, or control
10 over, independent sources of financial, business, or operational information. All
11 information relevant to Sage Memorial was created, filtered, curated, and disseminated
12 by Razaghi Healthcare NV, Razaghi, and Hasan.

13 143. While Sage Memorial retained independent auditors to review the
14 hospital's financial performance annually, the auditors were limited to financial
15 information provided to them by Razaghi Healthcare NV, Razaghi, and Hasan and,
16 therefore, based their findings on the information.

17 144. Despite reasonable and diligent efforts, Sage Memorial could not, under the
18 circumstances, have learned of Razaghi Healthcare NV's, Razaghi's, and Hasan's
19 misconduct as alleged in this Fourth Amended Complaint. Even today, the scope of
20 fraudulent and criminal misconduct by Razaghi Healthcare NV, Razaghi, and Hasan is
21 not completely known and requires both document and witness discovery because
22 Razaghi Healthcare has retained material information relating to Sage Memorial's
23 business. Sage Memorial will not be able to obtain that information except through
24 discovery.

25 145. Because Razaghi Healthcare NV, Razaghi, and Hasan knew they were
26 engaged in fraudulent and criminal misconduct, they acted intentionally to maintain as
much secrecy and deception as possible. The Razaghi Entities had a long history of

1 fraudulent conduct dating back to February 2007, when MMA entered into the MMA
2 Agreement.

3 146. Razaghi Healthcare NV's, Razaghi's, and Hasan's plan and intention to
4 conceal their fraudulent and criminal misconduct was consistent with their intention to
5 continue their schemes and artifices to defraud Sage Memorial indefinitely. Their actions
6 were undertaken for the express purpose of precluding detection and disclosure of the
7 misconduct described in this Fourth Amended Complaint. As a result of their efforts to
8 conceal, Razaghi Healthcare NV, Razaghi, and Hasan prevented discovery or disclosure
9 of their fraudulent misconduct until approximately October 31, 2018, when Sage
10 Memorial was able to begin its investigation.

11 147. As a result of the fraudulent concealment by Razaghi Healthcare NV,
12 Razaghi, and Hasan, Sage Memorial could not have reasonably discovered before
13 October 31, 2018.

14 148. By virtue of Razaghi Healthcare NV's, Razaghi's, and Hasan's fraudulent
15 concealment, the statute of limitations has been tolled with respect to any claims that Sage
16 Memorial has arising from the conduct alleged in this Fourth Amended Complaint.

17 **COUNT ONE**
FEDERAL CIVIL RICO – 18 U.S.C. § 1962(c)
(Against Defendants Razaghi and Hasan)

18 149. Plaintiff repeats and incorporates by reference each of the allegations set
19 forth in the preceding paragraphs.

20 **A. The Applicable Statutes**

21 150. Under 18 U.S.C. § 1962(c) it is unlawful for “any person employed by or
22 associated with an enterprise engaged in, or the activities of which affect, interstate or
23 foreign commerce to conduct or participate directly or indirectly in the conduct of such
24 enterprise's affairs for a pattern of racketeering activity or collection of unlawful debt.”

25 151. Under 18 U.S.C. § 1962(d), it is unlawful to conspire to violate any of the
26 RICO substantive provisions, including section 1962(c).

1 152. Under 18 U.S.C. § 1964(c), a private right of action exists for any person
2 injured in his business or property by reason of violation of § 1962. Section 1964(c)
3 provides for threefold the damages sustained as a result of recovery for the cost of suit
4 including reasonable attorney fees.

5 **B. The Enterprise**

6 153. Razaghi Healthcare NV is an Enterprise within the meaning of 18 U.S.C. §
7 1961(4). Under 18 U.S.C. § 1961(3) a “person” is defined to include any individual or
8 entity capable of holding a legal or beneficial interest in property. Defendant Razaghi,
9 the sole owner and manager of Razaghi Healthcare NV, and Hasan, a senior consultant
10 hired by Razaghi Healthcare NV, with others conducted and managed the affairs of
11 Razaghi Healthcare NV.

12 154. In addition, Razaghi and Hasan, as well as other individuals and entities
13 that associated with each other, also constitute an association in fact Enterprise (“Razaghi
14 Medical Management Enterprise”) within the meaning of 18 U.S.C. § 1961(4). This
15 association in fact enterprise functioned for the purpose of defrauding Sage Memorial and
16 enriching Razaghi Healthcare NV and the Enterprise’s members and associates. Each
17 Defendant in Count One conducted the affairs of the association in fact Enterprise or acted
18 at the direction of Razaghi in the conduct of the affairs of the Razaghi Medical
19 Management Enterprise.

20 155. At all times relevant to this Fourth Amended Complaint, members and
21 associates of the Razaghi Medical Management Enterprise functioned together as a
22 continuing unit, with a common purpose (i.e. to devise schemes to defraud Sage Memorial
23 of monies through systematic overbilling, fraudulently billing for services that were
24 unrelated to Sage Memorial and were for the benefit of Razaghi Healthcare NV or the
25 Razaghi Medical Management Enterprise, including the mail and wire fraud described
26 with regard to the Razaghi 638 Entities, the fraudulent taking of an illegally imposed
“termination fee,” and continued attempts to defraud Sage Memorial). Razaghi was the
leader of Razaghi Healthcare NV and the Razaghi Medical Management Enterprise. He

1 directed the other members of the Enterprise, including Hasan, to engage in fraudulent
2 and systematic overbilling, billing for services unrelated to Sage Memorial, and illegally
3 obtain a “termination fee” through fraud and deceit.

4 156. Razaghi and Hasan are individuals and are, thus, legally distinct from the
5 legal entity Razaghi Healthcare NV and are also legally distinct from the Razaghi Medical
6 Management Enterprise, the association in fact enterprise consisting of themselves and
7 legal entities controlled by Razaghi, such as Razaghi Healthcare NV and the Razaghi 638
8 Entities. As described in this Fourth Amended Complaint, Razaghi had near total control
9 over Razaghi Healthcare NV and each of the other entities comprising part of the
10 association in fact enterprise, and Hasan acted pursuant to directions from Razaghi.

11 157. Razaghi and Hasan were involved in the operation and management of the
12 enterprises. As described in detail in this Fourth Amended Complaint, the legal entity
13 Razaghi Healthcare NV and the alternative association in fact enterprise, consisting of
14 Razaghi, Hasan, and other legal entities controlled by Razaghi such as the Razaghi
15 Healthcare NV and the Razaghi 638 Entities, function with a common purpose and with
16 relationships to each other. Thus, each is separate and apart from the racketeering activity
17 consisting of mail and wire fraud predicate crimes.

18 158. Razaghi Healthcare NV and the Razaghi Medical Management Enterprise
19 have longevity sufficient to permit each of the RICO Defendants to pursue the
20 Enterprise’s purpose.

21 159. The RICO Defendants’ participation in Razaghi Healthcare NV and the
22 Razaghi Medical Management Enterprise was necessary for the successful operation of
23 the fraudulent scheme.

24 160. The activities of Razaghi Healthcare NV and the Razaghi Medical
25 Management Enterprise affected interstate commerce because they use goods and
26 services that travel in interstate commerce in order to service Sage Memorial and their
other clients that are located in states other than Arizona. In addition, both Razaghi
Healthcare NV and the Razaghi Medical Management Enterprise affected interstate

1 commerce by unlawfully obtaining, transmitting, billing and collecting monies through
2 the use wirings Interstate Email, and interstate banking transactions that crossed state
3 lines, all in furtherance of the racketeering scheme, as alleged in this Fourth Amended
4 Complaint.

5 161. Each member of Razaghi Healthcare NV and the Razaghi Medical
6 Management Enterprise played a role in the Racketeering Activity alleged in this Fourth
7 Amended Complaint and acted in mutual reliance on one another for the common purpose
8 of defrauding Sage Memorial out of millions of dollars.

9 **C. The Racketeering Violation**

10 162. From before May 1, 2015, and continuing up through the date of the filing
11 of this Fourth Amended Complaint, Razaghi, and Hasan knowingly and unlawfully
12 conducted or participated, directly or indirectly, in each Enterprise through a pattern of
13 racketeering activity within the meaning of 18 U.S.C. § 1961(1) and § 1961(5), all in
14 violation of 18 U.S.C. § 1962(c).

15 163. The actions of Razaghi, and Hasan constitute racketeering activity within
16 the meaning of 18 U.S.C. § 1961(1) because they constituted criminal offenses that were
17 indictable as violations of the federal mail fraud statute 18 U.S.C. § 1341 and the federal
18 wire fraud statute 18 U.S.C. § 1343.

19 164. The actions constitute a pattern of racketeering activity because Razaghi,
20 and Hasan committed at least two acts of racketeering activity after the effective date of
21 RICO and also within 10 years of each individual act and meet the “relationship” and
22 “continuity” criteria described below.

23 **D. Racketeering Activity**

24 165. Over the course of years, from before May 1, 2015 and continuing to the
25 present, Razaghi and Hasan knowingly and intentionally engaged in an ongoing pattern
26 of racketeering activity under 18 U.S. Code § 1962(c).

1 166. To accomplish their schemes, artifices, and conspiracies Razaghi, Hasan,
2 and other individuals and entities associated with them and with the Enterprises, used the
3 United States Mail or interstate carriers in violation of 18 U.S.C. § 1341 (relating to mail
4 fraud) and interstate telephone and wire services, in violation of 18 U.S.C. § 1343
5 (relating to wire fraud).

6 167. The interstate wire transmissions caused to be sent by Razaghi and Hasan
7 include:

8 a. email sent to or from Sage Memorial email accounts. Sage
9 Memorial uses an email system hosted by Microsoft. Email sent from or received
10 by Sage Memorial in Arizona crosses Arizona state lines even if both the sender
11 and the recipient are located in Arizona. All email between Sage Memorial and
12 any person or entity, including Razaghi Healthcare NV, involves the use of wire
13 transmissions in interstate or foreign commerce within the meaning of 18 U.S.C.
14 § 1343 (“Interstate Email”).

15 b. email sent to or from Razaghi Healthcare NV email accounts.
16 Razaghi Healthcare NV uses an email system hosted by Google. Email sent from
17 or received Razaghi Healthcare NV in Arizona crosses Arizona state lines even if
18 both the sender and the recipient are located in Arizona. All email between
19 Razaghi Healthcare NV and any person or entity, including Sage Memorial,
20 involves the use of wire transmissions in interstate or foreign commerce within the
21 meaning of 18 U.S.C. § 1343 (“Interstate Email”).

22 c. ACH banking transactions involving Sage Memorial’s and/or
23 Razaghi Healthcare NV’s bank accounts. Banking transactions that use the
24 banking system’s Automated Clearing House network involve the transmission of
25 bank transaction data that crosses multiple state lines within the meaning of 18
26 U.S.C. § 1343.

1 168. Set forth below are specific mailings and wirings caused by Razaghi,
2 Hasan, and others associated with them and the Enterprises pursuant to their schemes to
3 defraud Sage Memorial:

4 **E. Systemic Overbilling And Billing For Services Not Provided To**
5 **Plaintiff From June 1, 2017 Through The Termination Of Defendants**
6 **In August 2018 [“Invoice Fraud Acts”]**

7 169. As part of the Scheme and Artifice to Defraud, Razaghi and Hasan used
8 Razaghi Healthcare NV’s role as Contract CEO for, and its complete control over the
9 administration of, Sage Memorial to improperly and illegally obtain money from Sage
10 Memorial by submitting invoices asking Sage Memorial to pay for expenses or services
11 that were not rendered or provided to, or for the benefit of, Sage Memorial, but were
12 instead incurred solely for the purpose of advancing Razaghi’s and Hasan’s independent
13 business or personal interests. (“Fraudulent Expenses”).

14 170. To carry out the Scheme and Artifice to Defraud, Razaghi and Hasan, and
15 Razaghi Healthcare NV employees acting under their direction, concealed the Fraudulent
16 Expenses in voluminous invoices submitted monthly by Razaghi Healthcare NV to Sage
17 Memorial (“Monthly Invoices”). The Monthly Invoices were the established mechanism
18 by which Razaghi Healthcare NV sought, and obtained, payment for services it rendered
19 to Sage Memorial pursuant to the CEO Contract and reimbursement for expenses incurred
20 in connection with rendering those services. The Monthly Invoices were typically lengthy
21 and included time sheets, statements for legal fees, travel expenses, receipts, medical
22 equipment or services supply bills, and many other recurring expense items.

23 171. To further conceal the Fraudulent Expenses and to avoid detection of their
24 Racketeering Activity, Razaghi, and Hasan under Razaghi’s direction, in October 2017,
25 began separating the Monthly Invoices into multiple invoices so that, as a general rule,
26 invoices for monthly compensation or reimbursement would be less than \$100,000.
Under the Burwell Settlement Agreement, invoices submitted to Sage Memorial by
Razaghi Healthcare NV for more than \$100,000 were subject to audit by IHS. Therefore,
once the Burwell Settlement Agreement became effective, Razaghi, and Hasan

1 knowingly and intentionally separated the Monthly Invoices into smaller amounts to
2 avoid the \$100,000 audit threshold imposed by IHS.

3 172. Razaghi and Hasan had the intent to wrongfully and illegally obtain money
4 and property from Sage Memorial by including the Fraudulent Expenses on the Monthly
5 Invoices. They knew they could carry out their scheme because they completely
6 controlled the procedures, processes, and personnel responsible for preparing, reviewing,
7 approving, and paying the invoices. At the direction of Razaghi and Hasan, the Monthly
8 Invoices containing the Fraudulent Expenses were (a) prepared by Razaghi Healthcare
9 NV employees; (b) reviewed and approved by Razaghi; (c) transmitted to Sage Memorial
10 by Razaghi Healthcare NV employees at the direction of Razaghi and Hasan; (d)
11 transmitted by Razaghi Healthcare NV employees to Hasan for his review and so he could
12 ensure the invoices would be paid notwithstanding any objection; (d) reviewed at Sage
13 Memorial by Razaghi Healthcare NV employees, (e) approved at Sage Memorial by
14 Razaghi Healthcare NV employees, and (f) paid from Sage Memorial funds by Razaghi
15 Healthcare NV employees. Each of the employees involved in the process was assigned
16 to work in those positions by Razaghi, and Hasan and was subject to their direction and
control.

17 173. As a result of the complete control over Sage Memorial by Razaghi and
18 Hasan, and Razaghi Healthcare NV employees acting under the direction and control of
19 Razaghi and Hasan, neither the staff of Sage Memorial nor the Sage Board had the ability
20 to meaningfully review the Monthly Invoices or investigate and identify the Fraudulent
21 Expenses.

22 174. Using Razaghi Healthcare NV's role as Contract CEO and its complete
23 control over Sage Memorial, Razaghi and Hasan carried out, facilitated, and concealed
24 the Scheme and Artifice to Defraud and the Pattern of Racketeering Activity. Razaghi
25 and Hasan used Fraudulent Expenses contained in the Monthly Invoices to obtain money
26 and property from Sage Memorial even though they knew (a) the property, goods, or
services for which they sought payment or reimbursement had either never been

1 performed or (b) had been performed for business or personal benefits separate and apart
2 from Sage Memorial.

3 175. Through their operation of Razaghi Healthcare NV, Razaghi and Hasan
4 used the money and property obtained from their Racketeering Activity to enrich
5 themselves and to expand the Enterprise. Razaghi and Hasan enriched themselves
6 through the money they obtained through the Scheme and Artifice to Defraud that formed
7 part of their Pattern of Racketeering Activity. Razaghi and Hasan, through their total
8 control over Razaghi Healthcare NV, worked to expand the Enterprise by using their
9 positions and their control over Sage Memorial, and the proceeds they illicitly acquired
10 as a result of their Schemes and Artifices to Defraud, to promote themselves and their
11 services and to fund efforts to obtain contracts to manage other medical facilities within
12 the Navajo Nation.

13 176. Among many other things, Razaghi and Hasan took the following actions
14 in furtherance of their effort to expand the Enterprise and to increase the scope of their
15 Racketeering Activity: (a) Razaghi and Hasan assigned Razaghi Healthcare NV staff to
16 spend substantial amounts of time working on “business development” matters relating
17 to acquiring contracts with other medical facilities; (b) Razaghi Healthcare NV, Razaghi,
18 and Hasan retained and paid using Sage Memorial funds a Washington, D.C. lobbying
19 firm to help them obtain approval for new management contracts at Razaghi 638 Entities
20 and other Navajo medical facilities; (c) Razaghi and Hasan retained and used Sage
21 Memorial funds to pay various law firms to form limited liability companies they intended
22 to use in connection with managing the other medical facilities and (d) Razaghi and Hasan
23 and Sage Memorial funds to retain and pay a national consulting firm to “refine a long-
24 term plan for its tribal clients” and develop “a manual that can be used as a baseline for
25 all future restructuring/turnaround projects associated with [Razaghi Healthcare’s] future
26 clients.”

177. Consistent with the Pattern of Racketeering Activity through which
Razaghi and Hasan conducted the affairs of the Enterprise, Razaghi and Hasan billed to,

1 and received payment from, Sage Memorial for the activities undertaken for the purpose
2 of expanding the Enterprise to other Navajo medical facilities under IHS jurisdiction,
3 including the Razaghi 638 Entities, and for the purpose of extending their Racketeering
4 Activity to those facilities.

5 178. As part of the Pattern of Racketeering Activity, Razaghi, and Hasan sent
6 lengthy invoices to Sage Memorial from June 1, 2017 through August 2018 almost all of
7 which sought payment for Fraudulent Expenses. Each such Monthly Invoice is a
8 predicate act in the Pattern of Racketeering Activity. Among the many Monthly Invoices
9 containing Fraudulent Expenses, Razaghi and Hasan submitted and received payment for
10 the following:

11 a. The Invoice 1261 Fraud:

12 i. Shortly before June 1, 2017, Razaghi and Hasan caused
13 Razaghi Healthcare NV employees to assemble and prepare Monthly
14 Invoice No. 1261 and to seek from Sage Memorial payment and
15 reimbursement for the fraudulent expenses described below.

16 ii. After Monthly Invoice No. 1261 was prepared by Razaghi
17 Healthcare NV employees, and before it was transmitted to Sage Memorial,
18 Monthly Invoice No. 1261 was reviewed and approved by Razaghi and
19 Hasan.

20 iii. On or about June 1, 2017, Razaghi and Hasan caused Razaghi
21 Healthcare NV employees to transmit Monthly Invoice No. 1261 to Sage
22 Memorial by Interstate Email. Monthly Invoice No. 1261 asked Sage
23 Memorial to pay \$499,617.92 for services that Razaghi and Hasan
24 represented Razaghi Healthcare NV employees had provided to Sage
25 Memorial and for reimbursement of expenses Razaghi and Hasan
26 represented Razaghi Healthcare NV employees had incurred in connection
with providing those services.

1 iv. Among other items of compensation and expense claimed on
2 Monthly Invoice 1261 were Fraudulent Expenses. Among other Fraudulent
3 Expenses included on Monthly Invoice No. 1261 were items relating to
4 Razaghi's personal travel from August 26, 2016 through May 11, 2017 in
5 the amount of \$8,586.85; a lobbyist in Washington, DC to advance
6 Razaghi's and Hasan's separate business interests in the amount of
7 \$10,491.27; and more than 400 hours of time billed for work performed by
8 Razaghi Healthcare NV employees on matters to develop Hasan's and
9 Razaghi's unrelated business and personal interests or for work that was
10 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

11 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
12 others included on Monthly Invoice No. 1261, had not been incurred in
13 connection with services Razaghi Healthcare NV provided to Sage
14 Memorial, but rather had been incurred to advance Hasan's and Razaghi's
15 own separate business and personal interests or for work Razaghi
16 Healthcare NV was not otherwise entitled to compensation or
17 reimbursement.

18 vi. Razaghi and Hasan, by virtue of their complete control over
19 the administration of Sage Memorial and over the process of reviewing,
20 approving, and paying Monthly Invoices, caused Sage Memorial to pay
21 Invoice No. 1261 in full, including all amounts relating to Fraudulent
22 Expenses. In doing so, Razaghi and Hasan failed to disclose their inclusion
23 of Fraudulent Expenses on Invoice No. 1261 and failed to inform Sage
24 Memorial that the true purpose of those Fraudulent Expenses was to fund
25 Razaghi's and Hasan's business and personal interests that were unrelated
26 to, and that would not benefit, Sage Memorial or for work Razaghi and
 Hasan otherwise knew was not billable to, or properly reimbursable by,
 Sage Memorial.

1 vii. Based on Monthly Invoice No. 1261, Razaghi's and Hasan's
2 misrepresentations and material omissions, and their complete control over
3 the administration of Sage Memorial, the sum of \$499,617.92, including
4 amounts relating to Fraudulent Expenses, was transferred from a Sage
5 Memorial account and deposited into a Razaghi Healthcare NV bank
6 account on July 17, 2017.

7 b. The Invoice 1262 Fraud:

8 i. Shortly before June 29, 2017, Razaghi and Hasan caused
9 Razaghi Healthcare NV employees to assemble and prepare Monthly
10 Invoice No. 1262 and so that Razaghi Healthcare NV could seek from Sage
11 Memorial payment and reimbursement for the fraudulent expenses
12 described below.

13 ii. After Monthly Invoice No. 1262 was prepared by Razaghi
14 Healthcare NV employees, and before it was transmitted to Sage Memorial,
15 Monthly Invoice No. 1262 was reviewed and approved by Razaghi and
16 Hasan.

17 iii. On or about June 29, 2017, Razaghi and Hasan caused
18 Razaghi Healthcare NV employees to transmit Monthly Invoice No. 1262
19 to Sage Memorial by Interstate Email. Monthly Invoice 1262 asked Sage
20 Memorial to pay \$654,070.06 for services that Razaghi and Hasan
21 represented Razaghi Healthcare NV had provided to Sage Memorial and
22 for reimbursement of expenses Razaghi and Hasan represented Razaghi
23 Healthcare NV had incurred in connection with providing those services.

24 iv. Among other items of compensation and expense claimed on
25 Monthly Invoice No. 1262 were Fraudulent Expenses. Among other
26 Fraudulent Expenses included on Monthly Invoice No. 1262 were items
relating to more than 230 hours of time billed for work performed by
Razaghi Healthcare NV on matters to develop Razaghi's and Hasan's

1 unrelated business and personal interests or for work that was otherwise not
2 billable to, or subject to reimbursement from, Sage Memorial.

3 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
4 others included on Monthly Invoice No. 1262, had not been incurred in
5 connection with services Razaghi Healthcare NV provided to Sage
6 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
7 own separate business and personal interests or for work Razaghi
8 Healthcare NV was not otherwise entitled to compensation or
9 reimbursement.

10 vi. Razaghi and Hasan, by virtue of their complete control over
11 the administration of Sage Memorial and over the process of reviewing,
12 approving, and paying Monthly Invoices, caused Sage Memorial to pay
13 Invoice No. 1262 in full, including all amounts relating to Fraudulent
14 Expenses. In doing so, Razaghi and Hasan failed to disclose their inclusion
15 of Fraudulent Expenses on Invoice No. 1262 and failed to inform Sage
16 Memorial that the true purpose of those Fraudulent Expenses was to fund
17 Razaghi's and Hasan's business and personal interests that were unrelated
18 to, and that would not benefit, Sage Memorial or for work that Razaghi and
19 Hasan otherwise knew was not billable to, or properly reimbursable by,
Sage Memorial.

20 vii. Based on Monthly Invoice No. 1262, Razaghi's and Hasan's
21 misrepresentations and material omissions, and their complete control over
22 the administration of Sage Memorial, the sum of \$654,070.06, including
23 amounts relating to Fraudulent Expenses, was transferred from a Sage
24 Memorial account and deposited into a Razaghi Healthcare NV bank
25 account on August 3, 2017.

26 c. The Invoice 1263 Fraud:

1 i. Shortly before July 13, 2017, Razaghi and Hasan caused
2 Razaghi Healthcare NV employees to assemble and prepare Monthly
3 Invoice No. 1263 and to seek from Sage Memorial payment and
4 reimbursement for the fraudulent expenses described below.

5 ii. After Monthly Invoice No. 1263 was prepared, Razaghi
6 Healthcare NV employees, and before it was transmitted to Sage Memorial,
7 Monthly Invoice No. 1263 was reviewed and approved by Razaghi and
8 Hasan.

9 iii. On July 13, 2017, Razaghi and Hasan caused Razaghi
10 Healthcare to transmit Monthly Invoice No. 1263 to Sage Memorial by
11 Interstate Email. Monthly Invoice No. 1263 asked Sage Memorial to pay
12 \$445,447.07 for services Razaghi and Hasan represented Razaghi
13 Healthcare NV had provided to Sage Memorial and for reimbursement of
14 expenses Razaghi and Hasan represented Razaghi Healthcare NV had
15 incurred in connection with providing those services.

16 iv. Among other items of compensation and expense claimed on
17 Monthly Invoice 1263 were Fraudulent Expenses. Among other Fraudulent
18 Expenses included on Monthly Invoice No. 1263 were items relating to a
19 lobbyist in Washington, DC to further Razaghi's and Hasan's separate
20 business interests in the amount of \$10,000; legal fees for a law firm
21 performing work for Razaghi Healthcare NV in the amount of \$10,924.07;
22 and more than 40 hours of time billed for work performed by Razaghi
23 Healthcare NV employees on matters to develop Razaghi's and Hasan's
24 unrelated business and personal interests or for work that was otherwise not
25 billable to, or subject to reimbursement from, Sage Memorial.

26 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
 others included on Monthly Invoice No. 1263, had not been incurred in
 connection with services Razaghi Healthcare NV provided to Sage

1 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
2 own separate business and personal interests or for work Razaghi
3 Healthcare NV was not otherwise entitled to compensation or
4 reimbursement.

5 vi. Razaghi and Hasan, by virtue of their complete control over
6 the administration of Sage Memorial and over the process of reviewing,
7 approving, and paying Monthly Invoices, caused Sage Memorial to pay
8 Invoice No. 1263 in full, including all amounts relating to Fraudulent
9 Expenses. In doing so, Razaghi and Hasan failed to disclose their inclusion
10 of Fraudulent Expenses on Invoice No. 1263 and failed to inform Sage
11 Memorial that the true purpose of those Fraudulent Expenses was to fund
12 Razaghi's and Hasan's business and personal interests that were unrelated
13 to, and that would not benefit, Sage Memorial or for work Razaghi and
14 Hasan otherwise knew was not billable to, or properly reimbursable by,
15 Sage Memorial.

16 vii. Based on Monthly Invoice No. 1263, Razaghi's and Hasan's
17 misrepresentations and material omissions, and their complete control over
18 the administration of Sage Memorial, the sum of \$458,447.07, including
19 amounts relating to Fraudulent Expenses, was transferred from a Sage
20 Memorial account and deposited into a Razaghi Healthcare NV bank
21 account on August 10, 2017.

22 d. The Invoice 1264 Fraud:

23 i. Shortly before August 09, 2017, Razaghi and Hasan caused
24 Razaghi Healthcare NV employees to assemble and prepare Monthly
25 Invoice No. 1264 and to seek payment and reimbursement for the
26 fraudulent expenses described below.

ii. After Monthly Invoice No. 1264 was prepared by Razaghi
Healthcare NV employees, and before it was transmitted to Sage Memorial,

1 Monthly Invoice No. 1264 was reviewed and approved by Razaghi and
2 Hasan.

3 iii. On August 09, 2017, Razaghi and Hasan caused Razaghi
4 Healthcare NV to transmit Monthly Invoice No. 1264 to Sage Memorial by
5 Interstate email. Monthly Invoice No. 1264 asked Sage Memorial to pay
6 \$426,850.63 for services Razaghi and Hasan represented Razaghi
7 Healthcare NV had provided to Sage Memorial and for reimbursement of
8 expenses Razaghi and Hasan represented Razaghi Healthcare NV had
9 incurred in connection with providing those services.

10 iv. Among other items of compensation and expense claimed on
11 Monthly Invoice No. 1264 were Fraudulent Expenses. Among other
12 Fraudulent Expenses included on Monthly Invoice No. 1264 were items
13 relating to a lobbyist in Washington, DC to further Defendants separate
14 business interests in the amount of \$10,000; a second lobbyist for work to
15 further Defendants' separate business interests in the amount of \$10,000; a
16 law firm performing work for Razaghi Healthcare NV in the amount of
17 \$7,237.16; personal travel for Razaghi in the amount of more than \$650;
18 and more than 150 hours of time billed for work performed by Razaghi
19 Healthcare NV on matters to develop Razaghi's and Hasan's unrelated
20 business and personal interests or for work that was otherwise not billable
21 to, or subject to reimbursement from, Sage Memorial.

22 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
23 others included on Monthly Invoice No. 1263, had not been incurred in
24 connection with services Razaghi Healthcare NV provided to Sage
25 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
26 own separate business and personal interests or for work Razaghi
Healthcare NV was not otherwise entitled to compensation or
reimbursement.

1 vi. Razaghi and Hasan, by virtue of their complete control over
2 the administration of Sage Memorial and over the process of reviewing,
3 approving, and paying Monthly Invoices, caused Sage Memorial to pay
4 Invoice No. 1264 in full, including all amounts relating to Fraudulent
5 Expenses. In doing so, Defendants failed to disclose their inclusion of
6 Fraudulent Expenses on Invoice No. 1264 and failed to inform Sage
7 Memorial that the true purpose of those Fraudulent Expenses was to fund
8 Razaghi's and Hasan's business and personal interests that were unrelated
9 to, and that would not benefit, Sage Memorial or for work Razaghi and
10 Hasan otherwise knew was not billable to, or properly reimbursable by,
11 Sage Memorial.

12 vii. Based on Monthly Invoice No. 1264, Razaghi's and Hasan's
13 misrepresentations and material omissions, and their complete control over
14 the administration of Sage Memorial, the sum of \$426,850.63, including
15 amounts relating to Fraudulent Expenses, was transferred from a Sage
16 Memorial account and deposited into a Razaghi Healthcare NV bank
17 account on August 10, 2017.

18 e. The Invoice 1265 Fraud:

19 i. Shortly before August 11, 2017, Razaghi and Hasan caused
20 Razaghi Healthcare NV employees to assemble and prepare Monthly
21 Invoice No. 1265 and to seek payment and reimbursement for the
22 fraudulent expenses described below.

23 ii. After Monthly Invoice No. 1265 was prepared by Razaghi
24 Healthcare NV employees, and before it was transmitted to Sage Memorial,
25 Monthly Invoice No. 1269 was reviewed and approved by Razaghi and
26 Hasan.

 iii. On August 11, 2017, Razaghi and Hasan caused Razaghi
Healthcare NV to transmit Monthly Invoice No. 1265 to Sage Memorial by

1 Interstate Email. Monthly Invoice No. 1265 asked Sage Memorial to pay
2 \$301,868.39 for services Razaghi and Hasan represented Razaghi
3 Healthcare NV had provided to Sage Memorial and for reimbursement of
4 expenses Razaghi and Hasan represented Razaghi Healthcare NV had
5 incurred in connection with providing those services.

6 iv. Among other items of compensation and expense claimed on
7 Monthly Invoice 1265 were Fraudulent Expenses. Among other Fraudulent
8 Expenses included on Monthly Invoice No. 1265 were items relating to a
9 law firm performing work for Razaghi Healthcare NV in the amount of
10 \$8,768.50 and more than 65 hours of time billed for work performed by
11 Razaghi Healthcare NV on matters to develop Razaghi's and Hasan's
12 unrelated business and personal interests or for work that was otherwise not
13 billable to, or subject to reimbursement from, Sage Memorial.

14 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
15 others included on Monthly Invoice No. 1265, had not been incurred in
16 connection with services Razaghi Healthcare NV provided to Sage
17 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
18 own separate business and personal interests or for work Razaghi
19 Healthcare NV was not otherwise entitled to compensation or
20 reimbursement.

21 vi. Razaghi and Hasan, by virtue of their complete control over
22 the administration of Sage Memorial and over the process of reviewing,
23 approving, and paying Monthly Invoices, caused Sage Memorial to pay
24 Invoice No. 1265 in full, including all amounts relating to Fraudulent
25 Expenses. In doing so, Razaghi and Hasan failed to disclose their inclusion
26 of Fraudulent Expenses on Invoice No. 1265 and failed to inform Sage
Memorial that the true purpose of those Fraudulent Expenses was to fund
Razaghi's and Hasan's business and personal interests that were unrelated

1 to, and that would not benefit, Sage Memorial or for work Razaghi and
2 Hasan otherwise knew was not billable to, or properly reimbursable by,
3 Sage Memorial.

4 vii. Based on Monthly Invoice No. 1265, Razaghi's and Hasan's
5 misrepresentations and material omissions, and their complete control over
6 the administration of Sage Memorial, the sum of \$301,868.39, including
7 amounts relating to Fraudulent Expenses, was transferred from a Sage
8 Memorial account and deposited into a Razaghi Healthcare NV bank
9 account on September 14, 2017.

10 f. The Invoice 1266 Fraud:

11 i. Shortly before August 24, 2017, Razaghi and Hasan caused
12 Razaghi Healthcare NV employees to assemble and prepare Monthly
13 Invoice No. 1266 and to seek payment and reimbursement for the
14 fraudulent expenses described below.

15 ii. After Monthly Invoice No. 1266 was prepared by Razaghi
16 Healthcare NV employees, and before it was transmitted to Sage Memorial,
17 Monthly Invoice NO. 1266 was reviewed and approved by Razaghi and
18 Hasan.

19 iii. On August 24, 2017, Razaghi and Hasan caused Razaghi
20 Healthcare NV to transmit Monthly Invoice No. 1266 to Sage Memorial by
21 Interstate Email. Monthly Invoice No. 1266 asked Sage Memorial to pay
22 \$434,944.01 for services Razaghi and Hasan represented Razaghi
23 Healthcare NV had provided to Sage Memorial and for reimbursement of
24 expenses Razaghi and Hasan represented Razaghi Healthcare NV had
25 incurred in connection with providing those services.

26 iv. Among other items of compensation and expense claimed on
Monthly Invoice No. 1266 were Fraudulent Expenses. Among other
Fraudulent Expenses included on Monthly Invoice No. 1266 were items

1 relating to more than 80 hours of time billed for work performed by Razaghi
2 Healthcare NV on matters to develop Razaghi's and Hasan's unrelated
3 business and personal interests or for work that was otherwise not billable
4 to, or subject to reimbursement from, Sage Memorial.

5 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
6 others included on Monthly Invoice No. 1266, had not been incurred in
7 connection with services Razaghi Healthcare NV provided to Sage
8 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
9 own separate business and personal interests, including the Razaghi 638
10 Entities, or for work Razaghi Healthcare NV was not otherwise entitled to
11 compensation or reimbursement.

12 vi. Razaghi and Hasan, by virtue of their complete control over
13 the administration of Sage Memorial and over the process of reviewing,
14 approving, and paying Monthly Invoices, caused Sage Memorial to pay
15 Invoice No. 1266 in full, including all amounts relating to Fraudulent
16 Expenses. In doing so, Razaghi and Hasan failed to disclose their inclusion
17 of Fraudulent Expenses on Invoice No. 1266 and failed to inform Sage
18 Memorial that the true purpose of those Fraudulent Expenses was to fund
19 Razaghi's and Hasan's business and personal interests that were unrelated
20 to, and that would not benefit, Sage Memorial or for work Razaghi and
21 Hasan otherwise knew was not billable to, or properly reimbursable by,
22 Sage Memorial.

23 vii. Based on Monthly Invoice No. 1266, Razaghi and Hasan
24 misrepresentations and material omissions, and their complete control over
25 the administration of Sage Memorial, the sum of \$434,944.01, including
26 amounts relating to Fraudulent Expenses, was transferred from a Sage
Memorial account and deposited into a Razaghi Healthcare NV bank
account on September 22, 2017.

1 g. The Invoice 1267 Fraud:

2 i. Shortly before September 07, 2017, Razaghi caused Razaghi
3 Healthcare NV employees to assemble and prepare Monthly Invoice No.
4 1267 and to seek payment and reimbursement for the fraudulent expenses
5 described below.

6 ii. After Monthly Invoice No. 1267 was prepared by Razaghi
7 Healthcare NV employees, and before it was transmitted to Sage Memorial,
8 Monthly Invoice No. 1269 was reviewed and approved by Razaghi.

9 iii. On September 07, 2017, Razaghi caused Razaghi Healthcare
10 NV to transmit Monthly Invoice No. 1267 to Sage Memorial by Interstate
11 Email. Monthly Invoice No. 1267 asked Sage Memorial to pay
12 \$338,848.45 for services Razaghi represented Razaghi Healthcare NV had
13 provided to Sage Memorial and for reimbursement of expenses Razaghi
14 represented Razaghi Healthcare NV had incurred in connection with
15 providing those services.

16 iv. Among other items of compensation and expense claimed on
17 Monthly Invoice No. 1267 were Fraudulent Expenses. Among other
18 Fraudulent Expenses included on Monthly Invoice No. 1267 were items
19 relating to travel on matter that were not for the benefit of Sage Memorial
20 in an amount exceeding \$1,200 and almost 500 hours of time billed for work
21 performed by Razaghi Healthcare NV on matters to develop Razaghi's
22 unrelated business and personal interests, including the Razaghi 638
23 Entities, or for work that was otherwise not billable to, or subject to
24 reimbursement from, Sage Memorial.

25 v. Razaghi knew that the Fraudulent Expenses, and others
26 included on Monthly Invoice No. 1267, had not been incurred in connection
with services Razaghi Healthcare NV provided to Sage Memorial, but
rather had been incurred to advance Razaghi's own separate business and

1 personal interests or for work Razaghi Healthcare NV was not otherwise
2 entitled to compensation or reimbursement.

3 vi. Razaghi, by virtue of his complete control over the
4 administration of Sage Memorial and over the process of reviewing,
5 approving, and paying Monthly Invoices, caused Sage Memorial to pay
6 Invoice No. 1267 in full, including all amounts relating to Fraudulent
7 Expenses. In doing so, Razaghi failed to disclose his inclusion of
8 Fraudulent Expenses on Invoice No. 1267 and failed to inform Sage
9 Memorial that the true purpose of those Fraudulent Expenses was to fund
10 Razaghi's business and personal interests that were unrelated to, and that
11 would not benefit, Sage Memorial or for work Razaghi otherwise knew was
12 not billable to, or properly reimbursable by, Sage Memorial.

13 vii. Based on Monthly Invoice No. 1267, Razaghi's
14 misrepresentations and material omissions, and his complete control over
15 the administration of Sage Memorial, the sum of \$338,848.45, including
16 amounts relating to Fraudulent Expenses, was transferred from a Sage
17 Memorial account and deposited into a Razaghi Healthcare NV bank
18 account on September 29, 2017.

19 h. The Invoice 1268 Fraud:

20 i. Shortly before September 25, 2017, Razaghi caused Razaghi
21 Healthcare NV employees to assemble and prepare Monthly Invoice No.
22 1268 and to seek payment and reimbursement for the fraudulent expenses
23 described below.

24 ii. After Monthly Invoice No. 1268 was prepared by Razaghi
25 Healthcare NV employees, and before it was transmitted to Sage Memorial,
26 Monthly Invoice No. 1268 was reviewed and approved by Razaghi and
Hasan.

1 iii. On September 25, 2017, Razaghi caused Razaghi Healthcare
2 NV to transmit Monthly Invoice No. 1268 to Sage Memorial by Interstate
3 Email. Monthly Invoice No. 1268 asked Sage Memorial to pay
4 \$492,841.76 for services Razaghi represented Razaghi Healthcare NV had
5 provided to Sage Memorial and for reimbursement of expenses Razaghi
6 represented Razaghi Healthcare NV had incurred in connection with
7 providing those services.

8 iv. Among other items of compensation and expense claimed on
9 Monthly Invoice No. 1268 were Fraudulent Expenses. Among other
10 Fraudulent Expenses included on Monthly Invoice No. 1268 were items
11 relating to travel on matters that were not for the benefit of Sage Memorial
12 in an amount exceeding \$2,000 and more than 175 hours of time billed for
13 work performed by Razaghi Healthcare NV on matters to develop
14 Razaghi's unrelated business and personal interests, including the Razaghi
15 638 Entities, or for work that was otherwise not billable to, or subject to
16 reimbursement from, Sage Memorial.

17 v. Razaghi knew that the Fraudulent Expenses, and others
18 included on Monthly Invoice No. 1268, had not been incurred in connection
19 with services Razaghi Healthcare NV provided to Sage Memorial, but
20 rather had been incurred to advance Razaghi's own separate business and
21 personal interests or for work Razaghi Healthcare NV was not otherwise
22 entitled to compensation or reimbursement.

23 vi. Razaghi, by virtue of his complete control over the
24 administration of Sage Memorial and over the process of reviewing,
25 approving, and paying Monthly Invoices, caused Sage Memorial to pay
26 Invoice No. 1268 in full, including all amounts relating to Fraudulent
Expenses. In doing so, Razaghi failed to disclose his inclusion of
Fraudulent Expenses on Invoice No. 1268 and failed to inform Sage

1 Memorial that the true purpose of those Fraudulent Expenses was to fund
2 Razaghi's business and personal interests that were unrelated to, and that
3 would not benefit, Sage Memorial or for work Razaghi otherwise knew was
4 not billable to, or properly reimbursable by, Sage Memorial.

5 vii. Based on Monthly Invoice No. 1268, Razaghi's
6 misrepresentations and material omissions, and his complete control over
7 the administration of Sage Memorial, the sum of \$492,841.76, including
8 amounts relating to Fraudulent Expenses, was transferred from a Sage
9 Memorial account and deposited into a Razaghi Healthcare NV bank
10 account on September 29, 2017.

11 i. The Invoice 1269 Fraud:

12 i. Shortly before September 29, 2017, Razaghi caused Razaghi
13 Healthcare NV employees to assemble and prepare Monthly Invoice No.
14 1269 and to seek payment and reimbursement for the fraudulent expenses
described below.

15 ii. After Monthly Invoice No. 1269 was prepared by Razaghi
16 Healthcare NV employees, and before it was transmitted to Sage Memorial,
17 Monthly Invoice No. 1269 was reviewed and approved by Razaghi.

18 iii. On September 29, 2017, Razaghi caused Razaghi Healthcare
19 to transmit Monthly Invoice No. 1269 to Sage Memorial by Interstate
20 Email. Monthly Invoice No. 1269 asked Sage Memorial to pay
21 \$230,549.32 for services Razaghi represented Razaghi Healthcare NV had
22 provided to Sage Memorial and for reimbursement of expenses Razaghi
23 represented Razaghi Healthcare NV had incurred in connection with
24 providing those services.

25 iv. Among other items of compensation and expense claimed on
26 Monthly Invoice No. 1269 were Fraudulent Expenses. Among other
Fraudulent Expenses included on Monthly Invoice No. 1269 were items

1 relating to legal fees to a law firm for work on matters unrelated to Sage
2 Memorial in the amount of \$9,817.50 and more than 100 hours of time
3 billed for work performed by Razaghi Healthcare on matters to develop
4 Razaghi's unrelated business and personal interests, including the Razaghi
5 638 Entities, or for work that was otherwise not billable to, or subject to
6 reimbursement from, Sage Memorial.

7 v. Razaghi knew that the Fraudulent Expenses, and others
8 included on Monthly Invoice No. 1269, had not been incurred in connection
9 with services Razaghi Healthcare NV provided to Sage Memorial, but
10 rather had been incurred to advance Razaghi's own separate business and
11 personal interests or for work Razaghi Healthcare NV was not otherwise
12 entitled to compensation or reimbursement.

13 vi. Razaghi, by virtue of his complete control over the
14 administration of Sage Memorial and over the process of reviewing,
15 approving, and paying Monthly Invoices, caused Sage Memorial to pay
16 Monthly Invoice No. 1269 in full, including all amounts relating to
17 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
18 of Fraudulent Expenses on Monthly Invoice No. 1269 and failed to inform
19 Sage Memorial that the true purpose of those Fraudulent Expenses was to
20 fund Razaghi's business and personal interests that were unrelated to, and
21 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
22 was not billable to, or properly reimbursable by, Sage Memorial.

23 vii. Based on Monthly Invoice No. 1269, Razaghi's
24 misrepresentations and material omissions, and their complete control over
25 the administration of Sage Memorial, the sum of \$230,549.32, including
26 amounts relating to Fraudulent Expenses, was transferred from a Sage
Memorial account and deposited into a Razaghi Healthcare NV bank
account on September 29, 2017.

1 j. The Invoice 1270 Fraud:

2 i. Shortly before October 20, 2017, Razaghi caused Razaghi
3 Healthcare NV employees to assemble and prepare Monthly Invoice No.
4 1270 and to seek payment and reimbursement for the fraudulent expenses
5 described below.

6 ii. After Monthly Invoice No. 1270 was prepared by Razaghi
7 Healthcare NV employees, and before it was transmitted to Sage Memorial,
8 Monthly Invoice No. 1270 was reviewed and approved by Razaghi.

9 iii. On October 20, 2017, Razaghi caused Razaghi Healthcare
10 NV to transmit Monthly Invoice No. 1270 to Sage Memorial by Interstate
11 Email. Monthly Invoice No. 1270 asked Sage Memorial to pay \$55,735.75
12 for services Defendants represented Razaghi Healthcare NV had provided
13 to Sage Memorial and for reimbursement of expenses Razaghi represented
14 Razaghi Healthcare NV had incurred in connection with providing those
15 services.

16 iv. Among other items of compensation and expense claimed on
17 Monthly Invoice No. 1270 were Fraudulent Expenses. Among other
18 Fraudulent Expenses included on Monthly Invoice No. 1270 were items
19 relating to more than 80 hours of time billed for work performed by Razaghi
20 Healthcare NV on matters to develop Razaghi's unrelated business and
21 personal interests, including the Razaghi 638 Entities, or for work that was
22 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

23 v. Razaghi knew that the Fraudulent Expenses, and others
24 included on Monthly Invoice No. 1270, had not been incurred in connection
25 with services Razaghi Healthcare NV provided to Sage Memorial, but
26 rather had been incurred to advance Razaghi's own separate business and
personal interests or for work Razaghi Healthcare NV was not otherwise
entitled to compensation or reimbursement.

1 vi. Razaghi, by virtue of his complete control over the
2 administration of Sage Memorial and over the process of reviewing,
3 approving, and paying Monthly Invoices, caused Sage Memorial to pay
4 Monthly Invoice No. 1270 in full, including all amounts relating to
5 Fraudulent Expenses. In doing so, Razaghi failed to disclose their inclusion
6 of Fraudulent Expenses on Monthly Invoice No. 1270 and failed to inform
7 Sage Memorial that the true purpose of those Fraudulent Expenses was to
8 fund Razaghi's business and personal interests that were unrelated to, and
9 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
10 was not billable to, or properly reimbursable by, Sage Memorial.

11 vii. Based on Monthly Invoice No. 1270, Razaghi's
12 misrepresentations and material omissions, and their complete control over
13 the administration of Sage Memorial, the sum of \$55,735.75, including
14 amounts relating to Fraudulent Expenses, was transferred from a Sage
15 Memorial account and deposited into a Razaghi Healthcare NV bank
16 account on October 25, 2017.

17 k. The Invoice 1271 Fraud:

18 i. Shortly before October 16, 2017, Razaghi caused Razaghi
19 Healthcare NV employees to assemble and prepare Monthly Invoice No.
20 1271 and to seek payment and reimbursement for the fraudulent expenses
21 described below.

22 ii. After Monthly Invoice No. 1271 was prepared by Razaghi
23 Healthcare NV employees, and before it was transmitted to Sage Memorial,
24 Monthly Invoice No. 1271 was reviewed and approved by Razaghi.

25 iii. On October 16, 2017, Razaghi caused Razaghi Healthcare to
26 transmit Monthly Invoice No. 1271 to Sage Memorial by Interstate Email.
Monthly Invoice No. 1271 asked Sage Memorial to pay \$68,145.30 for
services Razaghi represented Razaghi Healthcare NV had provided to Sage

1 Memorial and for reimbursement of expenses Razaghi represented Razaghi
2 Healthcare NV had incurred in connection with providing those services.

3 iv. Among other items of compensation and expense claimed on
4 Monthly Invoice No. 1271 were Fraudulent Expenses. Among other
5 Fraudulent Expenses included on Monthly Invoice No. 1271 were items
6 relating to more than 225 hours of time billed for work performed by
7 Razaghi Healthcare NV on matters to develop Razaghi's unrelated business
8 and personal interests, including the Razaghi 638 Entities, or for work that
9 was otherwise not billable to, or subject to reimbursement from, Sage
10 Memorial.

11 v. Razaghi knew that the Fraudulent Expenses, and others
12 included on Monthly Invoice No. 1271, had not been incurred in connection
13 with services Razaghi Healthcare NV provided to Sage Memorial, but
14 rather had been incurred to advance Razaghi's own separate business and
15 personal interests or for work Razaghi Healthcare NV was not otherwise
entitled to compensation or reimbursement.

16 vi. Razaghi, by virtue of his complete control over the
17 administration of Sage Memorial and over the process of reviewing,
18 approving, and paying Monthly Invoices, caused Sage Memorial to pay
19 Monthly Invoice No. 1271 in full, including all amounts relating to
20 Fraudulent Expenses. In doing so, Razaghi failed to disclose their inclusion
21 of Fraudulent Expenses on Monthly Invoice No. 1271 and failed to inform
22 Sage Memorial that the true purpose of those Fraudulent Expenses was to
23 fund Razaghi's business and personal interests that were unrelated to, and
24 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
was not billable to, or properly reimbursable by, Sage Memorial.

25 vii. Based on Monthly Invoice No. 1271, Razaghi's
26 misrepresentations and material omissions, and their complete control over

1 the administration of Sage Memorial, the sum of \$68,145.30, including
2 amounts relating to Fraudulent Expenses, was transferred from a Sage
3 Memorial account and deposited into a Razaghi Healthcare NV bank
4 account on October 25, 2017.

5 1. The Invoice 1273 Fraud:

6 i. Shortly before October 20, 2017, Razaghi caused Razaghi
7 Healthcare NV employees to assemble and prepare Monthly Invoice No.
8 1273 and to seek from Sage Memorial payment and reimbursement for the
9 fraudulent expenses described below.

10 ii. After Monthly Invoice No. 1273 was prepared by Razaghi
11 Healthcare NV employees, and before it was transmitted to Sage Memorial,
12 Invoice No. 1261 was reviewed and approved by Razaghi.

13 iii. October 20, 2017, Razaghi caused Razaghi Healthcare NV to
14 transmit Monthly Invoice No. 1273 to Sage Memorial by Interstate Email.
15 Monthly Invoice No. 1273 asked Sage Memorial to pay \$107,228.30 for
16 reimbursement of expenses Razaghi represented Razaghi Healthcare NV
17 had incurred in connection with providing services to Sage Memorial.

18 iv. Among other items of compensation and expense claimed on
19 Monthly Invoice No. 1273 were Fraudulent Expenses. Among other
20 Fraudulent Expenses included on Monthly Invoice No. 1273 were items
21 relating to work performed by a law firm on legal matters for the benefit of
22 Razaghi's unrelated business and personal interests, including the Razaghi
23 638 Entities, or for work in the amount of \$1,334.06.

24 v. Razaghi knew that the Fraudulent Expenses, and others
25 included on Monthly Invoice No. 1273, had not been incurred in connection
26 with services Razaghi Healthcare NV provided to Sage Memorial, but
rather had been incurred to advance Razaghi's own separate business and

1 personal interests or for work Razaghi Healthcare NV was not otherwise
2 entitled to compensation or reimbursement.

3 vi. Razaghi, by virtue of his complete control over the
4 administration of Sage Memorial and over the process of reviewing,
5 approving, and paying Monthly Invoices, caused Sage Memorial to pay
6 Monthly Invoice No. 1273 in full, including all amounts relating to
7 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
8 of Fraudulent Expenses on Monthly Invoice 1273 and failed to inform Sage
9 Memorial that the true purpose of those Fraudulent Expenses was to fund
10 Razaghi's business and personal interests that were unrelated to, and that
11 would not benefit, Sage Memorial or for work Razaghi otherwise knew was
12 not billable to, or properly reimbursable by, Sage Memorial.

13 vii. Based on Monthly Invoice No. 1273, Razaghi's
14 misrepresentations and material omissions, and his complete control over
15 the administration of Sage Memorial, the sum of \$107,228.30, including
16 amounts relating to Fraudulent Expenses, was transferred from a Sage
17 Memorial account and deposited into a Razaghi Healthcare NV bank
18 account on October 25, 2017.

19 m. The Invoice 1274 Fraud:

20 i. Shortly before October 16, 2017, Razaghi caused Razaghi
21 Healthcare NV employees to assemble and prepare Monthly Invoice No.
22 1274 and to seek payment and reimbursement for the fraudulent expenses
23 described below.

24 ii. After Monthly Invoice No. 1274 was prepared by Razaghi
25 Healthcare NV employees, and before it was transmitted to Sage Memorial,
26 Monthly Invoice No. 1269 was reviewed and approved by Razaghi.

iii. On or shortly after October 16, 2017, Razaghi caused Razaghi
Healthcare to transmit Monthly Invoice No. 1274 to Sage Memorial by

1 email. Monthly Invoice No. 1274 asked Sage Memorial to pay \$58,646.39
2 for services Razaghi represented Razaghi Healthcare NV had provided to
3 Sage Memorial and for reimbursement of expenses Razaghi represented
4 Razaghi Healthcare NV had incurred in connection with providing those
5 services.

6 iv. Among other items of compensation and expense claimed on
7 Monthly Invoice No. 1274 were Fraudulent Expenses. Among other
8 Fraudulent Expenses included on Monthly Invoice No. 1274 were items
9 relating to more than 50 hours of time billed for work performed by Razaghi
10 Healthcare NV on matters to develop Razaghi's unrelated business and
11 personal interests, including the Razaghi 638 Entities, or for work that was
12 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

13 v. Razaghi knew that the Fraudulent Expenses, and others
14 included on Monthly Invoice No. 1274, had not been incurred in connection
15 with services Razaghi Healthcare NV provided to Sage Memorial, but
16 rather had been incurred to advance Razaghi's own separate business and
17 personal interests or for work Razaghi Healthcare NV was not otherwise
entitled to compensation or reimbursement.

18 vi. Razaghi, by virtue of their complete control over the
19 administration of Sage Memorial and over the process of reviewing,
20 approving, and paying Monthly Invoices, caused Sage Memorial to pay
21 Monthly Invoice No. 1274 in full, including all amounts relating to
22 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
23 of Fraudulent Expenses on Monthly Invoice No. 1274 and failed to inform
24 Sage Memorial that the true purpose of those Fraudulent Expenses was to
25 fund Razaghi's business and personal interests that were unrelated to, and
26 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
was not billable to, or properly reimbursable by, Sage Memorial.

1 vii. Based on Monthly Invoice No. 1274, Razaghi's
2 misrepresentations and material omissions, and his complete control over
3 the administration of Sage Memorial, the sum of \$58,646.39, including
4 amounts relating to Fraudulent Expenses, was transferred from a Sage
5 Memorial account and deposited into a Razaghi Healthcare NV bank
6 account on November 13, 2017.

7 n. The Invoice 1275 Fraud:

8 i. Shortly before November 1, 2017, Razaghi caused Razaghi
9 Healthcare NV employees to assemble and prepare Monthly Invoice No.
10 1275 and to seek payment and reimbursement for the fraudulent expenses
11 described below.

12 ii. After Monthly Invoice No. 1275 was prepared by Razaghi
13 Healthcare NV employees, and before it was transmitted to Sage Memorial,
14 Monthly Invoice No. 1275 was reviewed and approved by Razaghi.

15 iii. On or shortly after November 1, 2017, Razaghi caused
16 Razaghi Healthcare NV to transmit Monthly Invoice No. 1275 to Sage
17 Memorial by Interstate Email. Monthly Invoice No. 1275 asked Sage
18 Memorial to pay \$57,383.95 for services Razaghi represented Razaghi
19 Healthcare NV had provided to Sage Memorial and for reimbursement of
20 expenses Razaghi represented Razaghi Healthcare NV had incurred in
21 connection with providing those services.

22 iv. Among other items of compensation and expense claimed on
23 Monthly Invoice No. 1275 were Fraudulent Expenses. Among other
24 Fraudulent Expenses included on Monthly Invoice No. 1275 were items
25 relating to more than 140 hours of time billed for work performed by
26 Razaghi Healthcare NV on matters to develop Razaghi's unrelated business
 and personal interests, including the Razaghi 638 Entities, or for work that

1 was otherwise not billable to, or subject to reimbursement from, Sage
2 Memorial.

3 v. Razaghi knew that the Fraudulent Expenses, and others
4 included on Monthly Invoice No. 1275, had not been incurred in connection
5 with services Razaghi Healthcare NV provided to Sage Memorial, but
6 rather had been incurred to advance Razaghi's own separate business and
7 personal interests or for work Razaghi Healthcare NV was not otherwise
8 entitled to compensation or reimbursement.

9 vi. Razaghi, by virtue of his complete control over the
10 administration of Sage Memorial and over the process of reviewing,
11 approving, and paying Monthly Invoices, caused Sage Memorial to pay
12 Monthly Invoice No. 1275 in full, including all amounts relating to
13 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
14 of Fraudulent Expenses on Monthly Invoice No. 1275 and failed to inform
15 Sage Memorial that the true purpose of those Fraudulent Expenses was to
16 fund Razaghi's business and personal interests that were unrelated to, and
17 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
18 was not billable to, or properly reimbursable by, Sage Memorial.

19 vii. Based on Monthly Invoice No. 1275, Razaghi's
20 misrepresentations and material omissions, and his complete control over
21 the administration of Sage Memorial, the sum of \$57,383.95, including
22 amounts relating to Fraudulent Expenses, was transferred from a Sage
23 Memorial account and deposited into a Razaghi Healthcare NV bank
24 account on November 13, 2017.

25 o. The Invoice 1277 Fraud:

26 i. Shortly before September 29, 2017, Razaghi caused Razaghi
Healthcare NV employees to assemble and prepare Monthly Invoice No.

1 1277 and to seek payment and reimbursement for the fraudulent expenses
2 described below.

3 ii. After Monthly Invoice No. 1277 was prepared by Razaghi
4 Healthcare NV employees, and before it was transmitted to Sage Memorial,
5 Monthly Invoice No. 127 was reviewed and approved by Razaghi.

6 iii. On or shortly after November 1, 2017, Razaghi caused
7 Razaghi Healthcare NV to transmit Monthly Invoice No. 1277 to Sage
8 Memorial by Interstate mail. Monthly Invoice No. 1277 asked Sage
9 Memorial to pay \$171,471.05 for services Razaghi represented Razaghi
10 Healthcare NV had provided to Sage Memorial and for reimbursement of
11 expenses Razaghi represented Razaghi Healthcare NV had incurred in
12 connection with providing those services.

13 iv. Among other items of compensation and expense claimed on
14 Monthly Invoice No. 1277 were Fraudulent Expenses. Among other
15 Fraudulent Expenses included on Monthly Invoice No. 1277 were items
16 relating to payment of fees owing to an architect performing services in
17 connection with land that would be owned and developed by Razaghi,
18 Razaghi Healthcare NV, or their affiliates for their own business and
19 personal purposes, in the amount of \$79,002.97.

20 v. Razaghi knew that the Fraudulent Expenses, and others
21 included on Monthly Invoice No. 1277, had not been incurred in connection
22 with services Razaghi Healthcare NV provided to Sage Memorial, but
23 rather had been incurred to advance Razaghi's own separate business and
24 personal interests or for work Razaghi Healthcare NV was not otherwise
25 entitled to compensation or reimbursement.

26 vi. Razaghi, by virtue of his complete control over the
administration of Sage Memorial and over the process of reviewing,
approving, and paying Monthly Invoices, caused Sage Memorial to pay

1 Monthly Invoice No. 1277 in full, including all amounts relating to
2 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
3 of Fraudulent Expenses on Monthly Invoice No. 1277 and failed to inform
4 Sage Memorial that the true purpose of those Fraudulent Expenses was to
5 fund Razaghi's business and personal interests that were unrelated to, and
6 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
7 was not billable to, or properly reimbursable by, Sage Memorial.

8 vii. Based on Monthly Invoice No. 1277, Razaghi's
9 misrepresentations and material omissions, and his complete control over
10 the administration of Sage Memorial, the sum of \$171,471.05, including
11 amounts relating to Fraudulent Expenses, was transferred from a Sage
12 Memorial account and deposited into a Razaghi Healthcare NV bank
13 account on November 13, 2017.

14 p. The Invoice 1278 Fraud:

15 i. Shortly before November 20, 2017, Razaghi caused Razaghi
16 Healthcare NV employees to assemble and prepare Monthly Invoice No.
17 1278 and to seek payment and reimbursement for the fraudulent expenses
described below.

18 ii. After Monthly Invoice No. 1278 was prepared by Razaghi
19 Healthcare NV employees, and before it was transmitted to Sage Memorial,
20 Monthly Invoice No. 1278 was reviewed and approved by Razaghi.

21 iii. On or shortly after November 20, 2017, Razaghi caused
22 Razaghi Healthcare to transmit Monthly Invoice No. 1278 to Sage
23 Memorial by Interstate Email. Monthly Invoice No. 1278 asked Sage
24 Memorial to pay \$56,778.16 for services Razaghi represented Razaghi
25 Healthcare NV had provided to Sage Memorial and for reimbursement of
26 expenses Razaghi represented Razaghi Healthcare NV had incurred in
connection with providing those services.

1 iv. Among other items of compensation and expense claimed on
2 Monthly Invoice No. 1278 were Fraudulent Expenses. Among other
3 Fraudulent Expenses included on Monthly Invoice No. 1278 were items
4 relating to more than 70 hours of time billed for work performed by Razaghi
5 Healthcare NV on matters to develop Razaghi's unrelated business and
6 personal interests, including the Razaghi 638 Entities, or for work that was
7 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

8 v. Razaghi knew that the Fraudulent Expenses, and others
9 included on Monthly Invoice No. 1278, had not been incurred in connection
10 with services Razaghi Healthcare NV provided to Sage Memorial, but
11 rather had been incurred to advance Razaghi's own separate business and
12 personal interests or for work Razaghi Healthcare was not otherwise
13 entitled to compensation or reimbursement.

14 vi. Razaghi, by virtue of his complete control over the
15 administration of Sage Memorial and over the process of reviewing,
16 approving, and paying Monthly Invoices, caused Sage Memorial to pay
17 Monthly Invoice No. 1278 in full, including all amounts relating to
18 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
19 of Fraudulent Expenses on Monthly Invoice No. 1278 and failed to inform
20 Sage Memorial that the true purpose of those Fraudulent Expenses was to
21 fund Razaghi's business and personal interests that were unrelated to, and
22 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
23 was not billable to, or properly reimbursable by, Sage Memorial.

24 vii. Based on Monthly Invoice No. 1278, Razaghi's
25 misrepresentations and material omissions, and his complete control over
26 the administration of Sage Memorial, the sum of \$56,778.16, including
 amounts relating to Fraudulent Expenses, was transferred from a Sage

1 Memorial account and deposited into a Razaghi Healthcare NV bank
2 account on November 21, 2017.

3 q. The Invoice 1279 Fraud:

4 i. Shortly before November 20, 2017, Razaghi caused Razaghi
5 Healthcare NV employees to assemble and prepare Monthly Invoice No.
6 1279 and to seek payment and reimbursement for the fraudulent expenses
7 described below.

8 ii. After Monthly Invoice No. 1279 was prepared by Razaghi
9 Healthcare NV employees, and before it was transmitted to Sage Memorial,
10 Monthly Invoice No. 1279 was reviewed and approved by Razaghi.

11 iii. On or shortly after November 20, 2017, Razaghi caused
12 Razaghi Healthcare to transmit Monthly Invoice No. 1279 to Sage
13 Memorial by Interstate Email. Monthly Invoice No. 1279 asked Sage
14 Memorial to pay \$64,570.14 for services Razaghi represented Razaghi
15 Healthcare NV had provided to Sage Memorial and for reimbursement of
16 expenses Razaghi represented Razaghi Healthcare NV had incurred in
connection with providing those services.

17 iv. Among other items of compensation and expense claimed on
18 Monthly Invoice No. 1279 were Fraudulent Expenses. Among other
19 Fraudulent Expenses included on Monthly Invoice No. 1279 were items
20 relating more than 140 hours of time billed for work performed by Razaghi
21 Healthcare NV on matters to develop Razaghi's unrelated business and
22 personal interests, including the Razaghi 638 Entities, or for work that was
23 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

24 v. Razaghi knew that the Fraudulent Expenses, and others
25 included on Monthly Invoice No. 1279, had not been incurred in connection
26 with services Razaghi Healthcare provided to Sage Memorial, but rather
had been incurred to advance Razaghi's own separate business and personal

1 interests or for work Razaghi Healthcare NV was not otherwise entitled to
2 compensation or reimbursement.

3 vi. Razaghi, by virtue of his complete control over the
4 administration of Sage Memorial and over the process of reviewing,
5 approving, and paying Monthly Invoices, caused Sage Memorial to pay
6 Monthly Invoice No. 1279 in full, including all amounts relating to
7 Fraudulent Expenses. In doing so, Razaghi failed to disclose his inclusion
8 of Fraudulent Expenses on Monthly Invoice No. 1279 and failed to inform
9 Sage Memorial that the true purpose of those Fraudulent Expenses was to
10 fund Razaghi's business and personal interests that were unrelated to, and
11 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
12 was not billable to, or properly reimbursable by, Sage Memorial.

13 vii. Based on Monthly Invoice No. 1279, Razaghi's
14 misrepresentations and material omissions, and his complete control over
15 the administration of Sage Memorial, the sum of \$64,570.14, including
16 amounts relating to Fraudulent Expenses, was transferred from a Sage
17 Memorial account and deposited into a Razaghi Healthcare NV bank
18 account on November 21, 2017.

19 r. The Invoice 1281 Fraud:

20 i. Shortly before November 20, 2017, Razaghi caused Razaghi
21 Healthcare NV employees to assemble and prepare Monthly Invoice No.
22 1281 and to seek payment and reimbursement for the fraudulent expenses
23 described below.

24 ii. After Monthly Invoice No. 1281 was prepared by Razaghi
25 Healthcare NV employees, and before it was transmitted to Sage Memorial,
26 Monthly Invoice No. 1281 was reviewed and approved by Razaghi.

iii. On or shortly after November 20, 2017, Razaghi caused
Razaghi Healthcare NV to transmit Monthly Invoice No. 1281 to Sage

1 Memorial by email. Monthly Invoice No. 1281 asked Sage Memorial to
2 pay \$69,422.64 for services Razaghi represented Razaghi Healthcare NV
3 had provided to Sage Memorial and for reimbursement of expenses Razaghi
4 represented Razaghi Healthcare NV had incurred in connection with
5 providing those services.

6 iv. Among other items of compensation and expense claimed on
7 Monthly Invoice No. 1281 were Fraudulent Expenses. Among other
8 Fraudulent Expenses included on Monthly Invoice No. 1281 were items
9 relating to legal fees to a law firm for work on matters for Razaghi's
10 personal or business interests, including the Razaghi 638 Entities, or for
11 work that was otherwise not billable to, or subject to reimbursement from,
12 Sage Memorial, in the amount of \$9,817.50.

13 v. Razaghi knew that the Fraudulent Expenses, and others
14 included on Monthly Invoice No. 1281, had not been incurred in connection
15 with services Razaghi Healthcare NV provided to Sage Memorial, but
16 rather had been incurred to advance Razaghi's own separate business and
17 personal interests or for work Razaghi Healthcare NV was not otherwise
entitled to compensation or reimbursement.

18 vi. Razaghi, by virtue of his complete control over the
19 administration of Sage Memorial and over the process of reviewing,
20 approving, and paying Monthly Invoices, caused Sage Memorial to pay
21 Monthly Invoice No. 1281 in full, including all amounts relating to
22 Fraudulent Expenses. In doing so, Razaghi failed to disclose their inclusion
23 of Fraudulent Expenses on Monthly Invoice No. 1281 and failed to inform
24 Sage Memorial that the true purpose of those Fraudulent Expenses was to
25 fund Razaghi's business and personal interests that were unrelated to, and
26 that would not benefit, Sage Memorial or for work Razaghi otherwise knew
was not billable to, or properly reimbursable by, Sage Memorial.

1 vii. Based on Monthly Invoice No. 1281, Razaghi's
2 misrepresentations and material omissions, and his complete control over
3 the administration of Sage Memorial, the sum of \$69,422.64, including
4 amounts relating to Fraudulent Expenses, was transferred from a Sage
5 Memorial account and deposited into a Razaghi Healthcare NV bank
6 account on November 21, 2017.

7 s. The Invoice 1303 Fraud:

8 i. Shortly before February 14, 2018, Razaghi and Hasan caused
9 Razaghi Healthcare NV employees to assemble and prepare Monthly
10 Invoice No. 1303 and to seek payment and reimbursement for the
11 fraudulent expenses described below.

12 ii. After Monthly Invoice No. 1303 was prepared by Razaghi
13 Healthcare NV employees, and before it was transmitted to Sage Memorial,
14 Monthly Invoice No. 1303 was reviewed and approved by Razaghi and
15 Hasan.

16 iii. On or shortly after February 14, 2018, Razaghi and Hasan
17 caused Razaghi Healthcare NV to transmit Monthly Invoice No. 1303 to
18 Sage Memorial by Interstate email. Monthly Invoice 1303 asked Sage
19 Memorial to pay \$52,990.36 for services Razaghi and Hasan represented
20 Razaghi Healthcare NV had provided to Sage Memorial and for
21 reimbursement of expenses Razaghi and Hasan represented Razaghi
22 Healthcare NV had incurred in connection with providing those services.

23 iv. Among other items of compensation and expense claimed on
24 Monthly Invoice No. 1303 were Fraudulent Expenses. Among other
25 Fraudulent Expenses included on Monthly Invoice 1303 were items relating
26 to travel expenses in the amount of more than \$2,500 and more than 250
 hours of time billed for work performed by Razaghi Healthcare NV on
 matters to develop Razaghi's and Hasan's unrelated business and personal

1 interests, including the Razaghi 638 Entities, or for work that was otherwise
2 not billable to, or subject to reimbursement from, Sage Memorial.

3 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
4 others included on Monthly Invoice No. 1303, had not been incurred in
5 connection with services Razaghi Healthcare NV provided to Sage
6 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
7 own separate business and personal interests or for work Razaghi
8 Healthcare NV was not otherwise entitled to compensation or
9 reimbursement.

10 vi. Razaghi and Hasan, by virtue of their complete control over
11 the administration of Sage Memorial and over the process of reviewing,
12 approving, and paying Monthly Invoices, caused Sage Memorial to pay
13 Monthly Invoice No. 1303 in full, including all amounts relating to
14 Fraudulent Expenses. In doing so, Razaghi and Hasan failed to disclose
15 their inclusion of Fraudulent Expenses on Monthly Invoice 1303 and failed
16 to inform Sage Memorial that the true purpose of those Fraudulent
17 Expenses was to fund Razaghi's and Hasan's business and personal
18 interests that were unrelated to, and that would not benefit, Sage Memorial
19 or for work Razaghi and Hasan otherwise knew was not billable to, or
properly reimbursable by, Sage Memorial.

20 vii. Based on Monthly Invoice No. 1303, Razaghi's and Hasan's
21 misrepresentations and material omissions, and their complete control over
22 the administration of Sage Memorial, the sum of \$52,990.36, including
23 amounts relating to Fraudulent Expenses, was transferred from a Sage
24 Memorial account and deposited into a Razaghi Healthcare NV bank
account on February 27, 2017.

25 t. The Invoice 1308 Fraud:
26

1 i. Shortly before February 26, 2018, Razaghi and Hasan caused
2 Razaghi Healthcare NV employees to assemble and prepare Monthly
3 Invoice No. 1308 and to seek payment and reimbursement for the
4 fraudulent expenses described below.

5 ii. After Monthly Invoice No. 1308 was prepared by Razaghi
6 Healthcare NV employees, and before it was transmitted to Sage Memorial,
7 Monthly Invoice No. 1308 was reviewed and approved by Razaghi and
8 Hasan.

9 iii. On or shortly after February 26, 2018, Razaghi and Hasan
10 caused Razaghi Healthcare to transmit Monthly Invoice No. 1308 to Sage
11 Memorial by Interstate Email. Monthly Invoice No. 1308 asked Sage
12 Memorial to pay \$51,824.12 for services Razaghi and Hasan represented
13 Razaghi Healthcare NV had provided to Sage Memorial and for
14 reimbursement of expenses Razaghi and Hasan represented Razaghi
15 Healthcare NV had incurred in connection with providing those services.

16 iv. Among other items of compensation and expense claimed on
17 Monthly Invoice No. 1308 were Fraudulent Expenses. Among other
18 Fraudulent Expenses included on Monthly Invoice No. 1308 were items
19 relating to fees in the amount of \$12,500 for a consulting firm for work
20 performed on behalf of Razaghi, Razaghi Healthcare, or their affiliates in
21 connection with Defendants' unrelated business and personal interests,
22 including the Razaghi 638 Entities, or for work that was otherwise not
23 billable to, or subject to reimbursement from, Sage Memorial.

24 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
25 others included on Monthly Invoice No. 1308, had not been incurred in
26 connection with services Razaghi Healthcare NV provided to Sage
 Memorial, but rather had been incurred to advance Razaghi's and Hasan's

1 own separate business and personal interests or for work Razaghi
2 Healthcare was not otherwise entitled to compensation or reimbursement.

3 vi. Razaghi and Hasan, by virtue of their complete control over
4 the administration of Sage Memorial and over the process of reviewing,
5 approving, and paying Monthly Invoices, caused Sage Memorial to pay
6 Monthly Invoice No. 1308 in full, including all amounts relating to
7 Fraudulent Expenses. In doing so, Razaghi and Hasan failed to disclose
8 their inclusion of Fraudulent Expenses on Monthly Invoice No. 1308 and
9 failed to inform Sage Memorial that the true purpose of those Fraudulent
10 Expenses was to fund Razaghi's and Hasan's business and personal
11 interests that were unrelated to, and that would not benefit, Sage Memorial
12 or for work Razaghi and Hasan otherwise knew was not billable to, or
13 properly reimbursable by, Sage Memorial.

14 vii. Based on Monthly Invoice No. 1308, Razaghi's and Hasan's
15 misrepresentations and material omissions, and their complete control over
16 the administration of Sage Memorial, the sum of \$51,824.12, including
17 amounts relating to Fraudulent Expenses, was transferred from a Sage
18 Memorial account and deposited into a Razaghi Healthcare NV bank
19 account on February 27, 2017.

20 u. The Invoice 1336 Fraud:

21 i. Shortly before May 25, 2018, Razaghi and Hasan caused
22 Razaghi Healthcare NV employees to assemble and prepare Monthly
23 Invoice No. 1336 and to seek payment and reimbursement for the
24 fraudulent expenses described below.

25 ii. After Monthly Invoice No. 1336 was prepared by Razaghi
26 Healthcare NV employees, and before it was transmitted to Sage Memorial,
Monthly Invoice No. 1336 was reviewed and approved by Razaghi and
Hasan.

1 iii. On or shortly after May 25, 2018, Razaghi and Hasan caused
2 Razaghi Healthcare NV to transmit Monthly Invoice No. 1336 to Sage
3 Memorial by Interstate Email. Monthly Invoice No. 1336 asked Sage
4 Memorial to pay \$164,609.35 for services Razaghi and Hasan represented
5 Razaghi Healthcare NV had provided to Sage Memorial and for
6 reimbursement of expenses Razaghi and Hasan represented Razaghi
7 Healthcare NV had incurred in connection with providing those services.

8 iv. Among other items of compensation and expense claimed on
9 Monthly Invoice No. 1336 were Fraudulent Expenses. Among the
10 Fraudulent Expenses included on Monthly Invoice No. 1336 were items
11 relating to fees in the amount of \$153,515.47 for a consulting firm for work
12 performed on behalf of Razaghi Healthcare, Razaghi, and Hasan, or their
13 affiliates, in connection with Razaghi's and Hasan's unrelated business and
14 personal interests, including the Razaghi 638 Entities, or for work that was
15 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

16 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
17 others included on Monthly Invoice No. 1336, had not been incurred in
18 connection with services Razaghi Healthcare NV provided to Sage
19 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
20 own separate business and personal interests or for work Razaghi
21 Healthcare was not otherwise entitled to compensation or reimbursement.

22 vi. Razaghi and Hasan, by virtue of their complete control over
23 the administration of Sage Memorial and over the process of reviewing,
24 approving, and paying Monthly Invoices, caused Sage Memorial to pay
25 Monthly Invoice No. 1336 in full, including all amounts relating to
26 Fraudulent Expenses. In doing so, Razaghi and Hasan failed to disclose
 their inclusion of Fraudulent Expenses on Monthly Invoice No. 1336 and
 failed to inform Sage Memorial that the true purpose of those Fraudulent

1 Expenses was to fund Defendants' business and personal interests that were
2 unrelated to, and that would not benefit, Sage Memorial or for work
3 Razaghi and Hasan otherwise knew was not billable to, or properly
4 reimbursable by, Sage Memorial.

5 vii. Based on Monthly Invoice No. 1336, Razaghi's and Hasan's
6 misrepresentations and material omissions, and their complete control over
7 the administration of Sage Memorial, the sum of \$164,609.35, including
8 amounts relating to Fraudulent Expenses, was transferred from a Sage
9 Memorial account and deposited into a Razaghi Healthcare NV bank
10 account on June 1, 2018.

11 v. The Invoice 1345 Fraud:

12 i. Shortly before June 22, 2018, Razaghi and Hasan caused
13 Razaghi Healthcare NV employees to assemble and prepare Monthly
14 Invoice No. 1345 and to seek payment and reimbursement for the
15 fraudulent expenses described below.

16 ii. After Monthly Invoice No. 1345 was prepared by Razaghi
17 Healthcare NV employees, and before it was transmitted to Sage Memorial,
18 Monthly Invoice No. 1345 was reviewed and approved by Razaghi and
19 Hasan.

20 iii. On or shortly after June 22, 2018, Razaghi and Hasan caused
21 Razaghi Healthcare NV to transmit Monthly Invoice No. 1345 to Sage
22 Memorial by Interstate Email. Monthly Invoice No. 1345 asked Sage
23 Memorial to pay \$184,829.24 for services Razaghi and Hasan represented
24 Razaghi Healthcare NV had provided to Sage Memorial and for
25 reimbursement of expenses Razaghi and Hasan represented Razaghi
26 Healthcare NV had incurred in connection with providing those services.

iv. Among other items of compensation and expense claimed on
Monthly Invoice No. 1345 were Fraudulent Expenses. Among other

1 Fraudulent Expenses included on Monthly Invoice No. 1345 were items
2 relating to fees in the amount of \$76,843.18 for a consulting firm for work
3 performed on behalf of Razaghi Healthcare, Razaghi, and Hasan, or their
4 affiliates, in connection with Razaghi's and Hasan's unrelated business and
5 personal interests, including the Razaghi 638 Entities, or for work that was
6 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

7 v. Razaghi and Hasan knew that the Fraudulent Expenses, and
8 others included on Monthly Invoice No. 1345, had not been incurred in
9 connection with services Razaghi Healthcare NV provided to Sage
10 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
11 own separate business and personal interests or for work Razaghi
12 Healthcare was not otherwise entitled to compensation or reimbursement.

13 vi. Razaghi and Hasan, by virtue of their complete control over
14 the administration of Sage Memorial and over the process of reviewing,
15 approving, and paying Monthly Invoices, caused Sage Memorial to pay
16 Monthly Invoice No. 1345 in full, including all amounts relating to
17 Fraudulent Expenses. In doing so, Razaghi and Hasan failed to disclose
18 their inclusion of Fraudulent Expenses on Monthly Invoice No. 1345 and
19 failed to inform Sage Memorial that the true purpose of those Fraudulent
20 Expenses was to fund Defendants' business and personal interests that were
21 unrelated to, and that would not benefit, Sage Memorial or for work
22 Razaghi and Hasan otherwise knew was not billable to, or properly
23 reimbursable by, Sage Memorial.

24 vii. Based on Monthly Invoice No. 1345, Razaghi's and Hasan's
25 misrepresentations and material omissions, and their complete control over
26 the administration of Sage Memorial, the sum of \$184,829.24, including
amounts relating to Fraudulent Expenses, was transferred from a Sage

1 Memorial account and deposited into a Razaghi Healthcare NV bank
2 account.

3 w. The Invoice 1354 Fraud:

4 i. Shortly before July 19, 2018, Razaghi and Hasan caused
5 Razaghi Healthcare NV employees to assemble and prepare Monthly
6 Invoice No. 1354 and to seek payment and reimbursement for the
7 fraudulent expenses described below.

8 ii. After Monthly Invoice No. 1354 was prepared by Razaghi
9 Healthcare NV employees, and before it was transmitted to Sage Memorial,
10 Monthly Invoice No. 1354 was reviewed and approved by Razaghi and
11 Hasan.

12 iii. On or shortly after July 19, 2018, Razaghi and Hasan caused
13 Razaghi Healthcare NV to transmit Monthly Invoice No. 1354 to Sage
14 Memorial by Interstate Email. Monthly Invoice No. 1354 asked Sage
15 Memorial to pay \$32,775.89 for services Razaghi and Hasan represented
16 Razaghi Healthcare NV had provided to Sage Memorial and for
17 reimbursement of expenses Razaghi and Hasan represented Razaghi
18 Healthcare NV had incurred in connection with providing those services.

19 iv. Among other items of compensation and expense claimed on
20 Monthly Invoice No. 1354 were Fraudulent Expenses. Among other
21 Fraudulent Expenses included on Monthly Invoice No. 1354 were items
22 relating to fees in the amount of \$2,014.10 for a consulting firm for work
23 performed on behalf of Razaghi Healthcare, Razaghi, and Hasan, or their
24 affiliates, in connection with Razaghi's and Hasan's unrelated business and
25 personal interests, including the Razaghi 638 Entities, or for work that was
26 otherwise not billable to, or subject to reimbursement from, Sage Memorial.

v. Razaghi and Hasan knew that the Fraudulent Expenses, and
others included on Monthly Invoice No. 1354, had not been incurred in

1 connection with services Razaghi Healthcare NV provided to Sage
2 Memorial, but rather had been incurred to advance Razaghi's and Hasan's
3 own separate business and personal interests or for work Razaghi
4 Healthcare was not otherwise entitled to compensation or reimbursement.

5 vi. Razaghi and Hasan, by virtue of their complete control over
6 the administration of Sage Memorial and over the process of reviewing,
7 approving, and paying Monthly Invoices, caused Sage Memorial to pay
8 Monthly Invoice No. 1354 in full, including all amounts relating to
9 Fraudulent Expenses. In doing so, Razaghi and Hasan failed to disclose
10 their inclusion of Fraudulent Expenses on Monthly Invoice No. 1354 and
11 failed to inform Sage Memorial that the true purpose of those Fraudulent
12 Expenses was to fund Defendants' business and personal interests that were
13 unrelated to, and that would not benefit, Sage Memorial or for work
14 Razaghi and Hasan otherwise knew was not billable to, or properly
reimbursable by, Sage Memorial.

15 vii. Based on Monthly Invoice No. 1354, Razaghi's and Hasan's
16 misrepresentations and material omissions, and their complete control over
17 the administration of Sage Memorial, the sum of \$32,775.89, including
18 amounts relating to Fraudulent Expenses, was transferred from a Sage
19 Memorial account and deposited into a Razaghi Healthcare NV bank
20 account.

21 x. The Razaghi Compensation Frauds

22 i. Shortly before each of the dates set forth for each invoice in
23 the Razaghi Compensation Fraud Table, the identified Defendants caused
24 Razaghi Healthcare NV employees to assemble and prepare the Monthly
25 Invoices identified in the Table and to seek payment for the fraudulent
26

1 compensation relating to Razaghi's billed time as described in each invoice
2 listed in the Razaghi Compensation Fraud Table.

3 ii. After each invoice in the Compensation Fraud Table was
4 prepared by Razaghi Healthcare NV employees, and before it was
5 transmitted to Sage Memorial, it was reviewed and approved by the
6 defendant identified in the Table.

7 iii. On or shortly after the date of each invoice in the Razaghi
8 Compensation Fraud Table, the identified Defendant caused Razaghi
9 Healthcare NV to transmit each invoice to Sage Memorial by Interstate
10 Email. Each invoice asked Sage Memorial to pay the amount set forth in
11 the Razaghi Compensation Fraud Table for time Razaghi billed to Sage
12 Memorial. The identified Defendant represented to Sage Memorial that
13 Razaghi Healthcare NV was billing the correct hourly rate for Razaghi's
14 time.

15 iv. On the date of each invoice in the Razaghi Compensation
16 Fraud Table, the applicable CEO Services Contract provided that the Sage
17 Board and Razaghi Healthcare NV contractually agreed that Razaghi
18 Healthcare NV would charge \$175 per hour for professional time Razaghi
19 rendered to Sage Memorial. In violation of the terms of the applicable CEO
20 Services Contract, for each invoice listed in the Razaghi Compensation
21 Fraud Table, the identified Defendant intentionally and fraudulently caused
22 Razaghi Healthcare NV to bill Sage Memorial \$530 per hour with a \$35 per
23 hour discount for a net billable amount of \$495 per hour instead of \$175 per
24 hour, as represented to the Sage Board in each applicable CEO contract.

25 v. The applicable Defendant identified in the Razaghi Fraud
26 Compensation Table was able to conceal the fact that Razaghi's time was
being billed at a net \$495 per hour instead of \$175 per hour because
identified Defendant controlled the people at Razaghi Healthcare NV who

1 prepared and transmitted to Sage Memorial each invoice, controlled the
2 people at Sage Memorial who received and reviewed each invoice listed in
3 the Razaghi Compensation Fraud Table, and controlled the people at Sage
4 Memorial who approved and paid each invoice. As a consequence of the
5 complete control over Sage Memorial, no one involved in reviewing,
6 approving, and paying the invoices listed in the Razaghi Compensation
7 Fraud Table was independent and in a position to know of the fraud or to
8 disclose the fraud to the Sage Board.

9 vi. As a result, for each invoice listed in the Razaghi
10 Compensation Fraud Table, the identified Defendant intentionally and
11 fraudulently billed Sage Memorial an hourly rate for Razaghi's time that
12 was almost three time the contractually agreed hourly rate. The identified
13 Defendant knew that the invoices contained false compensation claims for
14 Razaghi's time and that Razaghi Healthcare NV was not entitled to payment
15 for the amounts billed invoice for Razaghi's time.

16 vii. The identified Defendant, by virtue of his, or their complete
17 control over the administration of Sage Memorial and over the process of
18 reviewing, approving, and paying invoices, caused Sage Memorial to pay
19 each invoice in the Razaghi Compensation Fraud Table in full, including
20 all amounts relating to false compensation claims for Razaghi's time. In
21 doing so, the identified Defendant failed to disclose his, or their, inclusion
22 of false compensation claims for Razaghi's time on the invoices and failed
23 to inform Sage Memorial that the true purpose of those false compensation
24 claims was to enrich Razaghi Healthcare NV, Razaghi, and to expand the
25 Enterprise through a pattern of racketeering activity.

26 viii. Based on each invoice in the Razaghi Compensation Fraud
Table, the identified Defendant's misrepresentations and material
omissions, and his, or their, complete control over the administration of

Sage Memorial, the sums set forth for each invoice, which included the fraudulent billing for Razaghi's time, as well as other amounts identified on each, was transferred from a Sage Memorial account and deposited into a Razaghi Healthcare NV bank account on a date shortly after the invoice was transmitted to Sage Memorial.

y. The Razaghi Compensation Fraud Table

Date	Razaghi Hourly Compensation billed at \$495 per hour	Defendant
5/20/2015	\$30,690.00	Razaghi
6/2/2015	\$34,650.00	Razaghi
6/16/2015	\$39,600.00	Razaghi
6/30/2015	\$31,680.00	Razaghi
7/15/2015	\$9,900.00	Razaghi
7/29/2015	\$13,365.00	Razaghi
8/11/2015	\$30,318.75	Razaghi
8/25/2015	\$38,981.25	Razaghi
9/8/2015	\$32,917.50	Razaghi
9/23/2015	\$30,318.75	Razaghi
10/7/2015	\$47,272.50	Razaghi, Hasan
11/16/2015	\$37,743.75	Razaghi, Hasan
12/1/2015	\$62,617.50	Razaghi, Hasan
1/11/2016	\$35,245.00	Razaghi, Hasan
2/22/2016	\$60,588.00	Razaghi, Hasan
3/7/2016	\$75,982.50	Razaghi, Hasan
5/16/2016	\$54,573.55	Razaghi, Hasan
5/31/2016	\$55,316.25	Razaghi, Hasan
7/25/2016	\$23,512.50	Razaghi, Hasan
8/22/2016	\$41,827.50	Razaghi, Hasan
9/6/2016	\$ 21,532.50	Razaghi, Hasan
9/19/2016	\$30,442.50	Razaghi, Hasan
10/4/2016	\$16,335.00	Razaghi, Hasan
10/18/2016	\$40,713.75	Razaghi, Hasan
1/23/2017	\$ 43,065.00	Razaghi, Hasan
2/6/2017	\$22,151.25	Razaghi, Hasan
2/21/2017	\$25,863.75	Razaghi, Hasan
3/6/2017	\$22,770.00	Razaghi, Hasan
3/20/2017	\$13,365.00	Razaghi, Hasan

Date	Razaghi Hourly Compensation billed at \$495 per hour	Defendant
4/18/2017	\$83,655.00	Razaghi, Hasan
5/1/2017	\$14,378.50	Razaghi, Hasan
5/17/2017	\$40,095.00	Razaghi, Hasan
6/1/2017	\$17,325.00	Razaghi, Hasan
6/29/2017	\$79,942.50	Razaghi, Hasan
7/13/2017	\$41,332.50	Razaghi, Hasan
8/9/2017	\$49,995.00	Razaghi, Hasan
8/11/2017	\$18,562.50	Razaghi, Hasan
8/24/2017	\$38,610.00	Razaghi, Hasan
9/7/2017	\$32,917.50	Razaghi
9/25/2017	\$24,750.00	Razaghi
9/29/2017	\$19,305.00	Razaghi
10/20/2017	\$ 26,482.50	Razaghi
11/1/2017	\$32,422.50	Razaghi
11/20/2017	\$26,482.50	Razaghi
11/28/2017	\$27,720.00	Razaghi
12/12/2017	\$28,338.75	Razaghi
1/3/2018	\$36,877.50	Razaghi, Hasan
2/14/2018	\$24,255.00	Razaghi, Hasan
2/14/2018	\$36,011.25	Razaghi, Hasan
2/22/2018	\$35,516.25	Razaghi, Hasan
3/5/2018	\$43,931.25	Razaghi, Hasan
3/21/2018	\$30,813.75	Razaghi, Hasan
4/2/2018	\$18,686.25	Razaghi, Hasan
5/14/2018	\$32,670.00	Razaghi, Hasan
5/29/2018	\$24,502.50	Razaghi, Hasan
6/11/2018	\$29,452.50	Razaghi, Hasan
6/25/2018	\$31,061.25	Razaghi, Hasan
7/10/2018	\$27,967.50	Razaghi, Hasan
7/30/2018	\$36,258.75	Razaghi, Hasan
8/6/2018	\$63,855.00	Razaghi, Hasan
8/20/2018	\$35,145.00	Razaghi, Hasan
8/23/2018	\$74,745.00	Razaghi, Hasan
	\$2,207,402.55	

Mailings and Wirings Related and in Furtherance of the Scheme to Defraud Plaintiff of the Illegally Imposed Termination Fee

179. Beginning in about July 11, 2018, and continuing through August 26, 2018, Defendants caused the following mailings and wirings in furtherance of the scheme to defraud Plaintiffs of \$10.8 million resulting from an illegally imposed “termination fee.”

a. On July 11, 2018, Nicole Hardy, an accounts specialist in the finance department of Sage Memorial received an email request from Razaghi conveyed through Tom Matenaer, the hospital’s Controller, to produce a “cost report” (billing rates v. discount rates) for the period 2014 through 2017.

b. On July 16, 2018, Hardy completed the cost report spreadsheet and emailed it to Matenaer and Sage Memorial’s staff accountant, Mary Arave.

c. On July 20, 2018, without any prior notice, Razaghi circulated an email informing staff that CEM and Dalgai were to be “re-assigned and would be removed” from their positions at Sage. Later that same day, Sage Board member Ray Ann Terry circulated an email to Sage Board members to request a special meeting to discuss issues/concerns with respect to the Razaghi Healthcare NV contract and reassignment of CEM.

d. On July 23, 2018, the Sage Board held a special meeting and discussed retaining independent counsel to review and advise them on Razaghi Healthcare NV management contract. The Sage Board concluded that this independent counsel should not be someone contracted through Razaghi, as he had done with Hoffman. Razaghi strongly objected to this decision and, via email, requested a copy of “the current Sage bylaws and conflict of interest policy.”

e. By letter dated August 2, 2018 (mailed and emailed that same day), counsel for Razaghi Healthcare NV and Razaghi (Christopher Stachowiak) wrote to Board Chair Wauneka (who had only days earlier met one-on-one with Razaghi and was on friendly terms with him) notifying him of “prospective breaches and/or interference” with the management contract with Sage.

1 f. On August 13, 2018, Wauneka sent an email to Davis and two other
2 Sage Board members, with Razaghi copied on the email, in which he stated “I
3 believe we are at a point in time where the question is whether the Board wants to
4 continue its relation with Razaghi Development Company, LLC.”

5 g. On or about August 27, 2018, Razaghi defrauded Sage Memorial of
6 \$10.8 million and caused the following wirings/mailings:

7 Sage Memorial employee Hardy notified Hasan via e-mail
8 that she had completed uploading invoice #1369 in Sage
9 Memorial’s payment system, as directed by Hasan. This was
10 in response to the fact that Defendants Razaghi and Hasan
11 had, that same day, made representations to Hardy when they
12 electronically submitted written invoice #1369 to Sage
13 Memorial’s accounting department and Hasan verbally
14 directed Hardy (an accounting clerk) during a telephone
15 conversation to pay the invoice in the amount of
16 \$10,855,134.15. The invoice presented a material fact: that
17 Sage owed Razaghi and Razaghi Healthcare NV
18 \$10,855,134.15. At the time the invoice was submitted, both
19 Razaghi and Hasan knew this statement was not true because
20 the very contract they were relying upon (the second amended
21 contract) and cited in the invoice permitted Sage a 30-day
22 curative period. Indeed, recognizing this fact, Hasan
23 expressed urgency to Hardy that the invoice be paid and he
24 manipulated Sage’s accounts, by virtue of his position as
25 CFO, to ensure there would be sufficient money in the general
26 operating account to pay the \$10,855,134.15. All of this was
accomplished by Hasan within 90 minutes. As Hardy’s
supervisor, notwithstanding that he was merely a contract
CFO, Hasan knew that she would act upon his request given
the imbalance in their respective positions – she was a clerk
and he was the CFO. When Hardy received the invoice, she
was ignorant of its falsity and assumed Hasan was telling her
the truth given his position as CFO. When he verbally
directed her via a telephone conversation to process the
\$10,855,134.15 she believed she was required to follow his
directive.

21 Hasan, a few minutes later, accessed Sage Memorial’s online
22 banking portal system and transferred \$500,000.00 from the
23 hospital’s IHS Funding Account and \$10,855,000.00 from
Sage’s Third-Party Revenue Account to Sage’s General
Operating Account to cover the \$10.8 million invoice.

24 Hasan, as contract CFO, approved \$10.8 million payment to
25 Razaghi Healthcare NV. Razaghi Healthcare NV is
26 immediately paid by “automated clearing house” or ACH
payment instantly and the funds are taken from Sage
Memorial’s General Operating Account at Wells Fargo.

1 h. On or about August 29, 2018, after receiving \$10.8 million from
2 Sage Memorial's bank account, Razaghi emailed a letter to the Sage Board
3 expressing his "concerns over the state of the Board of Directors" and "an invalid
4 purported agreement with a Michigan attorney."

5 i. On or about September 1, 2018, Razaghi Healthcare NV attorney
6 Stachowiak mailed a letter to Sage notifying it of the termination of the second
7 amended CEO services contract.

8 j. On or about September 4, 2018, Razaghi Healthcare NV attorney
9 Stachowiak mailed a second letter to the Sage Board's containing
10 misrepresentations regarding the Razaghi Healthcare NV termination.

11 k. On or about November 5, 2018, Razaghi Healthcare NV project
12 manager Abigail Paul sent an e-mail to Sage Controller Tom Matenaer, with an
13 attached letter, requesting a follow up meeting. Presumably, this was a mere
14 pretense for Razaghi to justify claiming entitlement to even more money.

15 l. As detailed earlier in this FAC, Defendant Razaghi caused the
16 interstate wiring of more than 9 separate invoices for services not rendered to Sage
17 Memorial.

18 180. In furtherance of the scheme to defraud, and with the purpose of executing
19 their schemes, Defendants herein, caused the payment of monies (in the form of excessive
20 "honorariums") to Sage's Chairman of the Board, Stenson Wauneka. While this is not a
21 RICO predicate activity itself, it is further evidence of Defendants' knowledge and
22 participation of the scheme to defraud Plaintiff.

23 **F. The Attempt to Defraud Plaintiff After August 2018 Through E-mails**
24 **For Fictitious Services**

25 181. From September 11, 2018 through the present, Razaghi used the interstate
26 wires to email invoices to Sage Memorial demanding payment of over \$1.8 million for
fictitious services. Indeed, after the filing of the Complaint, Razaghi continued to attempt
to defraud Sage Memorial through the emailing of invoices (e.g. invoices 1406 and 1407,

1 each dated June 26, 2020). These invoices constitute predicate acts of attempted wire
2 fraud, all in violation of 18 U.S.C. § 1343.

3 **G. Pattern of Racketeering Activity**

4 182. Sage Memorial alleges that the course of conduct engaged in by the Razaghi
5 and Hasan constituted both “continuity” and “relatedness” of the racketeering activity,
6 thereby constituting a pattern of racketeering activity, as that term is defined in 18 U.S.C.
7 § 1961(5). Sage Memorial can show the relatedness prong because the predicate acts
8 have the “similar purposes, results, participants, or methods of commission or are related
9 to the affairs of the Enterprise.” All predicate acts had the same purpose of defrauding
10 Sage Memorial of millions of dollars, all for the personal enrichment of the Razaghi and
11 Hasan and their associates.

12 183. Sage Memorial alleges that the continuity of the pattern of racketeering
13 activity constitutes closed-ended continuity as it occurred over a substantial period of
14 time, *i.e.*, from before May 2015 to the present time.

15 184. Sage Memorial alleges that the pattern of racketeering activity is also shown
16 by the threat of continued activity as Razaghi and his associates throughout the years have
17 repeatedly engaged in the same illegal and illicit activities involving Sage Memorial.
18 Thus, engaging in the pattern of racketeering as set forth herein is the regular way Razaghi
19 and his enterprise members regularly conducted the operations of Razaghi Healthcare
20 NV, and the association-in-fact enterprise he created. Although certain of the players
21 have changed, the Razaghi Medical Management Enterprise has been ongoing since at
22 least 2007, and Razaghi and the other RICO Defendants will continue their illegal
23 activities into the future if not stopped. For example, Razaghi continued to bill Sage for
24 \$1.8 million for “management fees” even after the termination of Razaghi Healthcare NV.
25 Thus, Razaghi and his Enterprise members clearly remain a threat to others and their
26 racketeering activity also meets the open-ended continuity test.

1 **H. Injury**

2 185. As a direct and proximate result of the predicate acts carried out by Razaghi
3 and Hasan in furtherance of violating 18 U.S.C. § 1962(c), Sage Memorial has been and
4 is continuing to be injured in its business or property as set forth more fully above.

5 **COUNT TWO**
6 **FEDERAL CIVIL RICO CONSPIRACY – 18 U.S.C. § 1962(d)**
7 **Against Defendants Razaghi and Hasan**

8 186. Sage Memorial repeats and incorporates by reference each of the
9 allegations set forth in the preceding paragraphs.

10 **A. The Conspiracy**

11 187. Sage Memorial alleges that from before May 1, 2015 and continuing
12 thereafter, Razaghi and Hasan conspired to violate section 1962(c), i.e., each Defendant
13 agreed that a conspirator would conduct or participate in the affairs of the Enterprise
14 through a pattern of racketeering, consisting of acts indictable under 18 U.S.C. §§ 1341
15 (Mail Fraud) and 1343 (Wire Fraud), as more fully described in Count One. Sage
16 Memorial alleges that the conspiratorial objective of that mutual agreement was intended
17 to obtain Sage Memorial's business and property, and that such conspiratorial conduct
18 violates RICO 18 U.S.C. §1962(d).

19 188. Razaghi and Hasan intended to further the schemes to defraud, which as
20 described in Count One were completed and satisfied by at least one substantive
21 individual Defendant. As demonstrated in detail above, Razaghi and Hasan have engaged
22 in numerous predicate racketeering acts in furtherance of the conspiracy including
23 systemic fraudulent practices designed to defraud Sage Memorial of money and other
24 property interests.

25 189. The nature of the above-described acts, material misrepresentations, and
26 omissions in furtherance of the conspiracy give rise to an inference that Razaghi and
Hasan not only agreed to the objective of an 18 U.S.C. § 1962(d) violation of RICO by
conspiring to violate 18 U.S.C. § 1962(c), but they were aware that their ongoing
fraudulent acts have been and are part of an overall pattern of racketeering activity.

1 190. The agreement to violate RICO with regard to Razaghi and Hasan is as
2 follows:

3 a. Razaghi is the sole owner of Razaghi Healthcare NV and the leader
4 of the association in fact enterprise. From before May 1, 2015 to the present time,
5 Razaghi has devised schemes through which he has abused his relationship with
6 Sage Memorial to divert millions of dollars of Sage Memorial monies to his
7 benefit. Razaghi has caused conspirators to engage in multiple acts of mail fraud
8 and wire fraud, to further effectuate the defrauding of Sage Memorial of monies,
9 and has compromised Wauneka, the Chairman of the Sage Board. Through the
10 causing of multiple racketeering acts and his leadership of the enterprise, Razaghi
11 has conspired to violate section 1962(c), all in violation of section 1962(d).

12 b. Hasan was a senior consultant and former employee of Razaghi
13 Healthcare NV who followed the directions of Razaghi to engage in multiple
14 racketeering acts of mail and wire fraud, described above, which are realleged and
15 averred in this Count. Hasan intended to further the substantive violations of fraud,
16 which were completed, and he adopted the goal of furthering or facilitating the
17 criminal endeavor. Accordingly, Hasan has conspired to violate section 1962(c),
18 all in violation of section 1962(d).

19 **B. The Injury**

20 191. As a direct and proximate result of Razaghi's and Hasan's predicate acts in
21 furtherance of violating 18 U.S.C § 1962(d) by conspiring to violate 18 U.S.C. § 1962(c),
22 Sage Memorial has been and is continuing to be injured in their business or property as
23 set forth more fully above.

24 **COUNT THREE**
25 **(Fraud – All Defendants)**

26 192. Plaintiff repeats and incorporates each allegation contained in the preceding
paragraphs.

1 193. Razaghi Healthcare, Razaghi, and Hasan falsely and fraudulently made the
2 material misrepresentations and the material omissions with the intent to induce Sage
3 Memorial to act in the manner alleged in this Fourth Amended Complaint and to deprive
4 Sage Memorial of its money and property. The false representations and material
5 omissions include, but are not limited to, the matters comprising the Pattern of
6 Racketeering Activity, the Predicate Acts, the First Razaghi Compensation Fraud, the
7 Second Razaghi Compensation Fraud, the Third Razaghi Compensation Fraud, and the
8 Termination Payment Fraud.

9 194. Specifically, the false representations and material omissions include the
10 following:

11 a. The Invoice Fraud Predicate Acts

12 i. The Invoice 1261 Fraud:

13 (a) Shortly before June 1, 2017, Razaghi and Hasan
14 caused Razaghi Healthcare NV employees to assemble and
15 prepare Monthly Invoice No. 1261 and to seek from Sage
16 Memorial payment and reimbursement for the fraudulent
17 expenses described below.

18 (b) After Monthly Invoice No. 1261 was prepared by
19 Razaghi Healthcare NV employees, and before it was
20 transmitted to Sage Memorial, Monthly Invoice No. 1261
21 was reviewed and approved by Razaghi and Hasan.

22 (c) On or about June 1, 2017, Razaghi and Hasan caused
23 Razaghi Healthcare NV employees to transmit Monthly
24 Invoice No. 1261 to Sage Memorial by Interstate Email.
25 Monthly Invoice 1261 asked Sage Memorial to pay
26 \$499,617.92 for services that Razaghi and Hasan
represented Razaghi Healthcare NV employees had

1 provided to Sage Memorial and for reimbursement of
2 expenses Razaghi and Hasan represented Razaghi
3 Healthcare NV employees had incurred in connection with
4 providing those services.

5 (d) Among other items of compensation and expense
6 claimed on Monthly Invoice No. 1261 were Fraudulent
7 Expenses. Among other Fraudulent Expenses included on
8 Monthly Invoice No. 1261 were items relating to Razaghi's
9 personal travel from August 26, 2016 through May 11, 2017
10 in the amount of \$8,586.85; a lobbyist in Washington, DC to
11 advance Razaghi's and Hasan's separate business interests
12 in the amount of \$10,491.27; and more than 400 hours of
13 time billed for work performed by Razaghi Healthcare NV
14 employees on matters to develop Hasan's and Razaghi's
15 unrelated business and personal interests or for work that
16 was otherwise not billable to, or subject to reimbursement
17 from, Sage Memorial.

18 (e) Razaghi and Hasan knew that the Fraudulent
19 Expenses, and others included on Monthly Invoice No.
20 1261, had not been incurred in connection with services
21 Razaghi Healthcare NV provided to Sage Memorial, but
22 rather had been incurred to advance Hasan's and Razaghi's
23 own separate business and personal interests or for work
24 Razaghi Healthcare NV was not otherwise entitled to
25 compensation or reimbursement.

26 (f) Razaghi and Hasan, by virtue of their complete
control over the administration of Sage Memorial and over
the process of reviewing, approving, and paying Monthly

1 Invoices, caused Sage Memorial to pay Invoice No. 1261 in
2 full, including all amounts relating to Fraudulent Expenses.
3 In doing so, Razaghi and Hasan failed to disclose their
4 inclusion of Fraudulent Expenses on Invoice 1261 and failed
5 to inform Sage Memorial that the true purpose of those
6 Fraudulent Expenses was to fund Razaghi's and Hasan's
7 business and personal interests that were unrelated to, and
8 that would not benefit, Sage Memorial or for work Razaghi
9 and Hasan otherwise knew was not billable to, or properly
10 reimbursable by, Sage Memorial.

11 (g) Based on Monthly Invoice No. 1261, Razaghi's and
12 Hasan's misrepresentations and material omissions, and
13 their complete control over the administration of Sage
14 Memorial, the sum of \$499,617.92, including amounts
15 relating to Fraudulent Expenses, was transferred from a
16 Sage Memorial account and deposited into a Razaghi
Healthcare NV bank account on July 17, 2017.

17 ii. The Invoice 1262 Fraud

18 (a) Shortly before June 29, 2017, Razaghi and Hasan
19 caused Razaghi Healthcare NV employees to assemble and
20 prepare Monthly Invoice No. 1262 and so that Razaghi
21 Healthcare NV could seek from Sage Memorial payment
22 and reimbursement for the fraudulent expenses described
23 below.

24 (b) After Monthly Invoice No. 1262 was prepared by
25 Razaghi Healthcare NV employees, and before it was
26 transmitted to Sage Memorial, Monthly Invoice 1262 was
reviewed and approved by Razaghi and Hasan.

1 (c) On or about June 29, 2017, Razaghi and Hasan
2 caused Razaghi Healthcare NV employees to transmit
3 Monthly Invoice No. 1262 to Sage Memorial by Interstate
4 Email. Monthly Invoice No. 1262 asked Sage Memorial to
5 pay \$654,070.06 for services that Razaghi and Hasan
6 represented Razaghi Healthcare NV had provided to Sage
7 Memorial and for reimbursement of expenses Razaghi and
8 Hasan represented Razaghi Healthcare NV had incurred in
9 connection with providing those services.

10 (d) Among other items of compensation and expense
11 claimed on Monthly Invoice No. 1262 were Fraudulent
12 Expenses. Among other Fraudulent Expenses included on
13 Monthly Invoice 1262 were items relating to more than 230
14 hours of time billed for work performed by Razaghi
15 Healthcare NV on matters to develop Razaghi's and Hasan's
16 unrelated business and personal interests or for work that
17 was otherwise not billable to, or subject to reimbursement
18 from, Sage Memorial.

19 (e) Razaghi and Hasan knew that the Fraudulent
20 Expenses, and others included on Monthly Invoice No.
21 1262, had not been incurred in connection with services
22 Razaghi Healthcare NV provided to Sage Memorial, but
23 rather had been incurred to advance Razaghi's and Hasan's
24 own separate business and personal interests or for work
25 Razaghi Healthcare NV was not otherwise entitled to
26 compensation or reimbursement.

(f) Razaghi and Hasan, by virtue of their complete
control over the administration of Sage Memorial and over

1 the process of reviewing, approving, and paying Monthly
2 Invoices, caused Sage Memorial to pay Invoice No. 1262 in
3 full, including all amounts relating to Fraudulent Expenses.
4 In doing so, Razaghi and Hasan failed to disclose their
5 inclusion of Fraudulent Expenses on Invoice No. 1262 and
6 failed to inform Sage Memorial that the true purpose of
7 those Fraudulent Expenses was to fund Razaghi's and
8 Hasan's business and personal interests that were unrelated
9 to, and that would not benefit, Sage Memorial or for work
10 that Razaghi and Hasan otherwise knew was not billable to,
11 or properly reimbursable by, Sage Memorial.

12 (g) Based on Monthly Invoice No. 1262, Razaghi's and
13 Hasan's misrepresentations and material omissions, and
14 their complete control over the administration of Sage
15 Memorial, the sum of \$654,070.06, including amounts
16 relating to Fraudulent Expenses, was transferred from a
17 Sage Memorial account and deposited into a Razaghi
18 Healthcare NV bank account on August 3, 2017.

19 iii. The Invoice 1263 Fraud

20 (a) Shortly before July 13, 2017, Razaghi and Hasan
21 caused Razaghi Healthcare NV employees to assemble and
22 prepare Monthly Invoice No. 1263 and to seek from Sage
23 Memorial payment and reimbursement for the fraudulent
24 expenses described below.

25 (b) After Monthly Invoice No. 1263 was prepared,
26 Razaghi Healthcare NV employees, and before it was
transmitted to Sage Memorial, Monthly Invoice No. 1263
was reviewed and approved by Razaghi and Hasan.

1 (c) On July 13, 2017, Razaghi and Hasan caused
2 Razaghi Healthcare to transmit Monthly Invoice No. 1263 to
3 Sage Memorial by Interstate Email. Monthly Invoice No.
4 1263 asked Sage Memorial to pay \$445,447.07 for services
5 Razaghi and Hasan represented Razaghi Healthcare NV had
6 provided to Sage Memorial and for reimbursement of
7 expenses Razaghi and Hasan represented Razaghi
8 Healthcare NV had incurred in connection with providing
9 those services. Among other items of compensation and
10 expense claimed on Monthly Invoice No. 1263 were
11 Fraudulent Expenses.

12 (d) Among other Fraudulent Expenses included on
13 Monthly Invoice No. 1263 were items relating to a lobbyist
14 in Washington, DC to further Razaghi's and Hasan's
15 separate business interests in the amount of \$10,000; legal
16 fees for a law firm performing work for Razaghi Healthcare
17 NV in the amount of \$10,924.07; and more than 40 hours of
18 time billed for work performed by Razaghi Healthcare NV
19 employees on matters to develop Razaghi's and Hasan's
20 unrelated business and personal interests or for work that
21 was otherwise not billable to, or subject to reimbursement
22 from, Sage Memorial.

23 (e) Razaghi and Hasan knew that the Fraudulent
24 Expenses, and others included on Monthly Invoice No.
25 1263, had not been incurred in connection with services
26 Razaghi Healthcare NV provided to Sage Memorial, but
rather had been incurred to advance Razaghi's and Hasan's
own separate business and personal interests or for work

1 Razaghi Healthcare NV was not otherwise entitled to
2 compensation or reimbursement.

3 (f) Razaghi and Hasan, by virtue of their complete
4 control over the administration of Sage Memorial and over
5 the process of reviewing, approving, and paying Monthly
6 Invoices, caused Sage Memorial to pay Invoice No. 1263 in
7 full, including all amounts relating to Fraudulent Expenses.
8 In doing so, Razaghi and Hasan failed to disclose their
9 inclusion of Fraudulent Expenses on Invoice No. 1263 and
10 failed to inform Sage Memorial that the true purpose of
11 those Fraudulent Expenses was to fund Razaghi's and
12 Hasan's business and personal interests that were unrelated
13 to, and that would not benefit, Sage Memorial or for work
14 Razaghi and Hasan otherwise knew was not billable to, or
properly reimbursable by, Sage Memorial.

15 (g) Based on Monthly Invoice No. 1263, Razaghi's and
16 Hasan's misrepresentations and material omissions, and
17 their complete control over the administration of Sage
18 Memorial, the sum of \$458,447.07, including amounts
19 relating to Fraudulent Expenses, was transferred from a
20 Sage Memorial account and deposited into a Razaghi
21 Healthcare NV bank account on August 10, 2017.

22 iv. The Invoice 1264 Fraud:

23 (a) Shortly before August 09, 2017, Razaghi and Hasan
24 caused Razaghi Healthcare NV employees to assemble and
25 prepare Monthly Invoice No. 1264 and to seek payment and
26 reimbursement for the fraudulent expenses described below.

1 (b) After Monthly Invoice No. 1264 was prepared by
2 Razaghi Healthcare NV employees, and before it was
3 transmitted to Sage Memorial, Monthly Invoice No. 1264
4 was reviewed and approved by Razaghi and Hasan.

5 (c) On August 09, 2017, Razaghi and Hasan caused
6 Razaghi Healthcare NV to transmit Monthly Invoice No.
7 1264 to Sage Memorial by Interstate email. Monthly Invoice
8 No. 1264 asked Sage Memorial to pay \$426,850.63 for
9 services Razaghi and Hasan represented Razaghi Healthcare
10 NV had provided to Sage Memorial and for reimbursement
11 of expenses Razaghi and Hasan represented Razaghi
12 Healthcare NV had incurred in connection with providing
13 those services.

14 (d) Among other items of compensation and expense
15 claimed on Monthly Invoice No. 1264 were Fraudulent
16 Expenses. Among other Fraudulent Expenses included on
17 Monthly Invoice No. 1264 were items relating to a lobbyist
18 in Washington, DC to further Defendants separate business
19 interests in the amount of \$10,000; a second lobbyist for
20 work to further Defendants' separate business interests in
21 the amount of \$10,000; a law firm performing work for
22 Razaghi Healthcare NV in the amount of \$7,237.16;
23 personal travel for Razaghi in the amount of more than
24 \$650; and more than 150 hours of time billed for work
25 performed by Razaghi Healthcare NV on matters to develop
26 Razaghi's and Hasan's unrelated business and personal
interests or for work that was otherwise not billable to, or
subject to reimbursement from, Sage Memorial.

1 (e) Razaghi and Hasan knew that the Fraudulent
2 Expenses, and others included on Monthly Invoice No.
3 1263, had not been incurred in connection with services
4 Razaghi Healthcare NV provided to Sage Memorial, but
5 rather had been incurred to advance Razaghi's and Hasan's
6 own separate business and personal interests or for work
7 Razaghi Healthcare NV was not otherwise entitled to
8 compensation or reimbursement.

9 (f) Razaghi and Hasan, by virtue of their complete
10 control over the administration of Sage Memorial and over
11 the process of reviewing, approving, and paying Monthly
12 Invoices, caused Sage Memorial to pay Invoice no. 1264 in
13 full, including all amounts relating to Fraudulent Expenses.
14 In doing so, Defendants failed to disclose their inclusion of
15 Fraudulent Expenses on Invoice No. 1264 and failed to
16 inform Sage Memorial that the true purpose of those
17 Fraudulent Expenses was to fund Razaghi's and Hasan's
18 business and personal interests that were unrelated to, and
19 that would not benefit, Sage Memorial or for work Razaghi
20 and Hasan otherwise knew was not billable to, or properly
reimbursable by, Sage Memorial.

21 (g) Based on Monthly Invoice No. 1264, Razaghi's and
22 Hasan's misrepresentations and material omissions, and
23 their complete control over the administration of Sage
24 Memorial, the sum of \$426,850.63, including amounts
25 relating to Fraudulent Expenses, was transferred from a
26 Sage Memorial account and deposited into a Razaghi
Healthcare NV bank account on August 10, 2017.

1 v. The Invoice 1265 Fraud:

2 (a) Shortly before August 11, 2017, Razaghi and Hasan
3 caused Razaghi Healthcare NV employees to assemble and
4 prepare Monthly Invoice No. 1265 and to seek payment and
5 reimbursement for the fraudulent expenses described below.

6 (b) After Monthly Invoice No. 1265 was prepared by
7 Razaghi Healthcare NV employees, and before it was
8 transmitted to Sage Memorial, Monthly Invoice No. 1265
9 was reviewed and approved by Razaghi and Hasan.

10 (c) On August 11, 2017, Razaghi and Hasan caused
11 Razaghi Healthcare NV to transmit Monthly Invoice No.
12 1265 to Sage Memorial by Interstate Email. Monthly
13 Invoice No. 1265 asked Sage Memorial to pay \$301,868.39
14 for services Razaghi and Hasan represented Razaghi
15 Healthcare NV had provided to Sage Memorial and for
16 reimbursement of expenses Razaghi and Hasan represented
17 Razaghi Healthcare NV had incurred in connection with
18 providing those services.

19 (d) Among other items of compensation and expense
20 claimed on Monthly Invoice No. 1265 were Fraudulent
21 Expenses. Among other Fraudulent Expenses included on
22 Monthly Invoice No. 1265 were items relating to a law firm
23 performing work for Razaghi Healthcare NV in the amount
24 of \$8,768.50 and more than 65 hours of time billed for work
25 performed by Razaghi Healthcare NV on matters to develop
26 Razaghi's and Hasan's unrelated business and personal
interests or for work that was otherwise not billable to, or
subject to reimbursement from, Sage Memorial.

1 (e) Razaghi and Hasan knew that the Fraudulent
2 Expenses, and others included on Monthly Invoice No.
3 1265, had not been incurred in connection with services
4 Razaghi Healthcare NV provided to Sage Memorial, but
5 rather had been incurred to advance Razaghi's and Hasan's
6 own separate business and personal interests or for work
7 Razaghi Healthcare NV was not otherwise entitled to
8 compensation or reimbursement.

9 (f) Razaghi and Hasan, by virtue of their complete
10 control over the administration of Sage Memorial and over
11 the process of reviewing, approving, and paying Monthly
12 Invoices, caused Sage Memorial to pay Invoice No. 1265 in
13 full, including all amounts relating to Fraudulent Expenses.
14 In doing so, Razaghi and Hasan failed to disclose their
15 inclusion of Fraudulent Expenses on Invoice No. 1265 and
16 failed to inform Sage Memorial that the true purpose of
17 those Fraudulent Expenses was to fund Razaghi's and
18 Hasan's business and personal interests that were unrelated
19 to, and that would not benefit, Sage Memorial or for work
20 Razaghi and Hasan otherwise knew was not billable to, or
21 properly reimbursable by, Sage Memorial.

22 (g) Based on Monthly Invoice No. 1265, Razaghi's and
23 Hasan's misrepresentations and material omissions, and
24 their complete control over the administration of Sage
25 Memorial, the sum of \$301,868.39, including amounts
26 relating to Fraudulent Expenses, was transferred from a
Sage Memorial account and deposited into a Razaghi
Healthcare NV bank account on September 14, 2017.

1 vi. The Invoice 1266 Fraud:

2 (a) Shortly before August 24, 2017, Razaghi and Hasan
3 caused Razaghi Healthcare NV employees to assemble and
4 prepare Monthly Invoice No. 1266 and to seek payment and
5 reimbursement for the fraudulent expenses described below.

6 (b) After Monthly Invoice No. 1266 was prepared by
7 Razaghi Healthcare NV employees, and before it was
8 transmitted to Sage Memorial, Monthly Invoice No. 1266
9 was reviewed and approved by Razaghi and Hasan.

10 (c) On August 24, 2017, Razaghi and Hasan caused
11 Razaghi Healthcare NV to transmit Monthly Invoice No.
12 1266 to Sage Memorial by Interstate Email. Monthly
13 Invoice No. 1266 asked Sage Memorial to pay \$434,944.01
14 for services Razaghi and Hasan represented Razaghi
15 Healthcare NV had provided to Sage Memorial and for
16 reimbursement of expenses Razaghi and Hasan represented
17 Razaghi Healthcare NV had incurred in connection with
18 providing those services.

19 (d) Among other items of compensation and expense
20 claimed on Monthly Invoice No. 1266 were Fraudulent
21 Expenses. Among other Fraudulent Expenses included on
22 Monthly Invoice No. 1266 were items relating to more than
23 80 hours of time billed for work performed by Razaghi
24 Healthcare NV on matters to develop Razaghi's and Hasan's
25 unrelated business and personal interests or for work that
26 was otherwise not billable to, or subject to reimbursement
from, Sage Memorial.

1 (e) Razaghi and Hasan knew that the Fraudulent
2 Expenses, and others included on Monthly Invoice No.
3 1266, had not been incurred in connection with services
4 Razaghi Healthcare NV provided to Sage Memorial, but
5 rather had been incurred to advance Razaghi's and Hasan's
6 own separate business and personal interests, including the
7 Razaghi 638 Entities, or for work Razaghi Healthcare NV
8 was not otherwise entitled to compensation or
9 reimbursement.

10 (f) Razaghi and Hasan, by virtue of their complete
11 control over the administration of Sage Memorial and over
12 the process of reviewing, approving, and paying Monthly
13 Invoices, caused Sage Memorial to pay Invoice No. 1266 in
14 full, including all amounts relating to Fraudulent Expenses.
15 In doing so, Razaghi and Hasan failed to disclose their
16 inclusion of Fraudulent Expenses on Invoice No. 1266 and
17 failed to inform Sage Memorial that the true purpose of
18 those Fraudulent Expenses was to fund Razaghi's and
19 Hasan's business and personal interests that were unrelated
20 to, and that would not benefit, Sage Memorial or for work
21 Razaghi and Hasan otherwise knew was not billable to, or
22 properly reimbursable by, Sage Memorial.

23 (g) Based on Monthly Invoice No. 1266, Razaghi and
24 Hasan misrepresentations and material omissions, and their
25 complete control over the administration of Sage Memorial,
26 the sum of \$434,944.01, including amounts relating to
Fraudulent Expenses, was transferred from a Sage Memorial

1 account and deposited into a Razaghi Healthcare NV bank
2 account on September 22, 2017.

3 vii. The Invoice 1267 Fraud:

4 (a) Shortly before September 07, 2017, Razaghi caused
5 Razaghi Healthcare NV employees to assemble and prepare
6 Monthly Invoice No. 1267 and to seek payment and
7 reimbursement for the fraudulent expenses described below.

8 (b) After Monthly Invoice No. 1267 was prepared by
9 Razaghi Healthcare NV employees, and before it was
10 transmitted to Sage Memorial, Monthly Invoice No. 1269
11 was reviewed and approved by Razaghi.

12 (c) On September 07, 2017, Razaghi caused Razaghi
13 Healthcare NV to transmit Monthly Invoice No. 1267 to
14 Sage Memorial by Interstate Email. Monthly Invoice No.
15 1267 asked Sage Memorial to pay \$338,848.45 for services
16 Razaghi represented Razaghi Healthcare NV had provided
17 to Sage Memorial and for reimbursement of expenses
18 Razaghi represented Razaghi Healthcare NV had incurred in
19 connection with providing those services.

20 (d) Among other items of compensation and expense
21 claimed on Monthly Invoice No. 1267 were Fraudulent
22 Expenses. Among other Fraudulent Expenses included on
23 Monthly Invoice No. 1267 were items relating to travel on
24 matter that were not for the benefit of Sage Memorial in an
25 amount exceeding \$1,200 and almost 500 hours of time
26 billed for work performed by Razaghi Healthcare NV on
matters to develop Razaghi's unrelated business and
personal interests, including the Razaghi 638 Entities, or for

1 work that was otherwise not billable to, or subject to
2 reimbursement from, Sage Memorial.

3 (e) Razaghi knew that the Fraudulent Expenses, and
4 others included on Monthly Invoice No. 1267, had not been
5 incurred in connection with services Razaghi Healthcare NV
6 provided to Sage Memorial, but rather had been incurred to
7 advance Razaghi's own separate business and personal
8 interests or for work Razaghi Healthcare NV was not
9 otherwise entitled to compensation or reimbursement.

10 (f) Razaghi, by virtue of his complete control over the
11 administration of Sage Memorial and over the process of
12 reviewing, approving, and paying Monthly Invoices, caused
13 Sage Memorial to pay Invoice No. 1267 in full, including all
14 amounts relating to Fraudulent Expenses. In doing so,
15 Razaghi failed to disclose his inclusion of Fraudulent
16 Expenses on Invoice No. 1267 and failed to inform Sage
17 Memorial that the true purpose of those Fraudulent
18 Expenses was to fund Razaghi's business and personal
19 interests that were unrelated to, and that would not benefit,
20 Sage Memorial or for work Razaghi otherwise knew was not
21 billable to, or properly reimbursable by, Sage Memorial.

22 (g) Based on Monthly Invoice No. 1267, Razaghi's
23 misrepresentations and material omissions, and his complete
24 control over the administration of Sage Memorial, the sum
25 of \$338,848.45, including amounts relating to Fraudulent
26 Expenses, was transferred from a Sage Memorial account
and deposited into a Razaghi Healthcare NV bank account
on September 29, 2017.

viii. The Invoice 1268 Fraud:

(a) Shortly before September 25, 2017, Razaghi caused Razaghi Healthcare NV employees to assemble and prepare Monthly Invoice No. 1268 and to seek payment and reimbursement for the fraudulent expenses described below.

(b) After Monthly Invoice No. 1268 was prepared by Razaghi Healthcare NV employees, and before it was transmitted to Sage Memorial, Monthly Invoice No. 1268 was reviewed and approved by Razaghi and Hasan.

(c) On September 25, 2017, Razaghi caused Razaghi Healthcare NV to transmit Monthly Invoice No. 1268 to Sage Memorial by Interstate Email. Monthly Invoice No. 1268 asked Sage Memorial to pay \$492,841.76 for services Razaghi represented Razaghi Healthcare NV had provided to Sage Memorial and for reimbursement of expenses Razaghi represented Razaghi Healthcare NV had incurred in connection with providing those services.

(d) Among other items of compensation and expense claimed on Monthly Invoice No. 1268 were Fraudulent Expenses. Among other Fraudulent Expenses included on Monthly Invoice No. 1268 were items relating to travel on matters that were not for the benefit of Sage Memorial in an amount exceeding \$2,000 and more than 175 hours of time billed for work performed by Razaghi Healthcare NV on matters to develop Razaghi's unrelated business and personal interests, including the Razaghi 638 Entities, or for work that was otherwise not billable to, or subject to reimbursement from, Sage Memorial.

1 (e) Razaghi knew that the Fraudulent Expenses, and
2 others included on Monthly Invoice No. 1268, had not been
3 incurred in connection with services Razaghi Healthcare NV
4 provided to Sage Memorial, but rather had been incurred to
5 advance Razaghi's own separate business and personal
6 interests or for work Razaghi Healthcare NV was not
7 otherwise entitled to compensation or reimbursement.

8 (f) Razaghi, by virtue of his complete control over the
9 administration of Sage Memorial and over the process of
10 reviewing, approving, and paying Monthly Invoices, caused
11 Sage Memorial to pay Invoice No. 1268 in full, including all
12 amounts relating to Fraudulent Expenses. In doing so,
13 Razaghi failed to disclose his inclusion of Fraudulent
14 Expenses on Invoice No. 1268 and failed to inform Sage
15 Memorial that the true purpose of those Fraudulent
16 Expenses was to fund Razaghi's business and personal
17 interests that were unrelated to, and that would not benefit,
18 Sage Memorial or for work Razaghi otherwise knew was not
19 billable to, or properly reimbursable by, Sage Memorial

20 (g) Based on Monthly Invoice No. 1268, Razaghi's
21 misrepresentations and material omissions, and his complete
22 control over the administration of Sage Memorial, the sum
23 of \$492,841.76, including amounts relating to Fraudulent
24 Expenses, was transferred from a Sage Memorial account
25 and deposited into a Razaghi Healthcare NV bank account
26 on September 29, 2017.

ix. The Invoice 1269 Fraud:

1 (a) Shortly before September 29, 2017, Razaghi caused
2 Razaghi Healthcare NV employees to assemble and prepare
3 Monthly Invoice No. 1269 and to seek payment and
4 reimbursement for the fraudulent expenses described below.

5 (b) After Monthly Invoice No. 1269 was prepared by
6 Razaghi Healthcare NV employees, and before it was
7 transmitted to Sage Memorial, Monthly Invoice No. 1269
8 was reviewed and approved by Razaghi.

9 (c) On September 29, 2017, Razaghi caused Razaghi
10 Healthcare to transmit Monthly Invoice No. 1269 to Sage
11 Memorial by Interstate Email. Monthly Invoice No. 1269
12 asked Sage Memorial to pay \$230,549.32 for services
13 Razaghi represented Razaghi Healthcare NV had provided
14 to Sage Memorial and for reimbursement of expenses
15 Razaghi represented Razaghi Healthcare NV had incurred in
16 connection with providing those services.

17 (d) Among other items of compensation and expense
18 claimed on Monthly Invoice No. 1269 were Fraudulent
19 Expenses. Among other Fraudulent Expenses included on
20 Monthly Invoice No. 1269 were items relating to legal fees
21 to a law firm for work on matters unrelated to Sage
22 Memorial in the amount of \$9,817.50 and more than 100
23 hours of time billed for work performed by Razaghi
24 Healthcare on matters to develop Razaghi's unrelated
25 business and personal interests, including the Razaghi 638
26 Entities, or for work that was otherwise not billable to, or
subject to reimbursement from, Sage Memorial.

1 (e) Razaghi knew that the Fraudulent Expenses, and
2 others included on Monthly Invoice No. 1269, had not been
3 incurred in connection with services Razaghi Healthcare NV
4 provided to Sage Memorial, but rather had been incurred to
5 advance Razaghi's own separate business and personal
6 interests or for work Razaghi Healthcare NV was not
7 otherwise entitled to compensation or reimbursement.

8 (f) Razaghi, by virtue of his complete control over the
9 administration of Sage Memorial and over the process of
10 reviewing, approving, and paying Monthly Invoices, caused
11 Sage Memorial to pay Monthly Invoice No. 1269 in full,
12 including all amounts relating to Fraudulent Expenses. In
13 doing so, Razaghi failed to disclose his inclusion of
14 Fraudulent Expenses on Monthly Invoice No. 1269 and
15 failed to inform Sage Memorial that the true purpose of
16 those Fraudulent Expenses was to fund Razaghi's business
17 and personal interests that were unrelated to, and that would
18 not benefit, Sage Memorial or for work Razaghi otherwise
19 knew was not billable to, or properly reimbursable by, Sage
20 Memorial.

21 (g) Based on Monthly Invoice No. 1269, Razaghi's
22 misrepresentations and material omissions, and their
23 complete control over the administration of Sage Memorial,
24 the sum of \$230,549.32, including amounts relating to
25 Fraudulent Expenses, was transferred from a Sage Memorial
26 account and deposited into a Razaghi Healthcare NV bank
account on September 29, 2017.

1 x. The Invoice 1270 Fraud:

2 (a) Shortly before October 20, 2017, Razaghi caused
3 Razaghi Healthcare NV employees to assemble and prepare
4 Monthly Invoice No. 1270 and to seek payment and
5 reimbursement for the fraudulent expenses described below.

6 (b) After Monthly Invoice No. 1270 was prepared by
7 Razaghi Healthcare NV employees, and before it was
8 transmitted to Sage Memorial, Monthly Invoice No. 1270
9 was reviewed and approved by Razaghi.

10 (c) On October 20, 2017, Razaghi caused Razaghi
11 Healthcare NV to transmit Monthly Invoice No. 1270 to
12 Sage Memorial by Interstate Email. Monthly Invoice No.
13 1270 asked Sage Memorial to pay \$55,735.75 for services
14 Defendants represented Razaghi Healthcare NV had
15 provided to Sage Memorial and for reimbursement of
16 expenses Razaghi represented Razaghi Healthcare NV had
17 incurred in connection with providing those services.

18 (d) Among other items of compensation and expense
19 claimed on Monthly Invoice No. 1270 were Fraudulent
20 Expenses. Among other Fraudulent Expenses included on
21 Monthly Invoice No. 1270 were items relating to more than
22 80 hours of time billed for work performed by Razaghi
23 Healthcare NV on matters to develop Razaghi's unrelated
24 business and personal interests, including the Razaghi 638
25 Entities, or for work that was otherwise not billable to, or
26 subject to reimbursement from, Sage Memorial.

(e) Razaghi knew that the Fraudulent Expenses, and
others included on Monthly Invoice No. 1270, had not been

1 incurred in connection with services Razaghi Healthcare NV
2 provided to Sage Memorial, but rather had been incurred to
3 advance Razaghi's own separate business and personal
4 interests or for work Razaghi Healthcare NV was not
5 otherwise entitled to compensation or reimbursement.

6 (f) Razaghi, by virtue of his complete control over the
7 administration of Sage Memorial and over the process of
8 reviewing, approving, and paying Monthly Invoices, caused
9 Sage Memorial to pay Monthly Invoice No. 1270 in full,
10 including all amounts relating to Fraudulent Expenses. In
11 doing so, Razaghi failed to disclose their inclusion of
12 Fraudulent Expenses on Monthly Invoice No. 1270 and
13 failed to inform Sage Memorial that the true purpose of
14 those Fraudulent Expenses was to fund Razaghi's business
15 and personal interests that were unrelated to, and that would
16 not benefit, Sage Memorial or for work Razaghi otherwise
17 knew was not billable to, or properly reimbursable by, Sage
18 Memorial.

19 (g) Based on Monthly Invoice No. 1270, Razaghi's
20 misrepresentations and material omissions, and their
21 complete control over the administration of Sage Memorial,
22 the sum of \$55,735.75, including amounts relating to
23 Fraudulent Expenses, was transferred from a Sage Memorial
24 account and deposited into a Razaghi Healthcare NV bank
25 account on October 25, 2017.

26 xi. The Invoice 1271 Fraud:

(a) Shortly before October 16, 2017, Razaghi caused
Razaghi Healthcare NV employees to assemble and prepare

1 Monthly Invoice No. 1271 After Monthly Invoice No. 1271
2 was prepared by Razaghi Healthcare NV employees, and
3 before it was transmitted to Sage Memorial, Monthly
4 Invoice No. 1271 was reviewed and approved by Razaghi.

5 (b) On October 16, 2017, Razaghi caused Razaghi
6 Healthcare to transmit Monthly Invoice No. 1271 to Sage
7 Memorial by Interstate Email. Monthly Invoice No. 1271
8 asked Sage Memorial to pay \$68,145.30 for services
9 Razaghi represented Razaghi Healthcare NV had provided
10 to Sage Memorial and for reimbursement of expenses
11 Razaghi represented Razaghi Healthcare NV had incurred in
12 connection with providing those services.

13 (c) Among other items of compensation and expense
14 claimed on Monthly Invoice No. 1271 were Fraudulent
15 Expenses. Among other Fraudulent Expenses included on
16 Monthly Invoice No. 1271 were items relating to more than
17 225 hours of time billed for work performed by Razaghi
18 Healthcare NV on matters to develop Razaghi's unrelated
19 business and personal interests, including the Razaghi 638
20 Entities, or for work that was otherwise not billable to, or
21 subject to reimbursement from, Sage Memorial.

22 (d) Razaghi knew that the Fraudulent Expenses, and
23 others included on Monthly Invoice No. 1271, had not been
24 incurred in connection with services Razaghi Healthcare NV
25 provided to Sage Memorial, but rather had been incurred to
26 advance Razaghi's own separate business and personal
interests or for work Razaghi Healthcare NV was not
otherwise entitled to compensation or reimbursement.

1 (e) Razaghi, by virtue of his complete control over the
2 administration of Sage Memorial and over the process of
3 reviewing, approving, and paying Monthly Invoices, caused
4 Sage Memorial to pay Monthly Invoice No. 1271 in full,
5 including all amounts relating to Fraudulent Expenses. In
6 doing so, Razaghi failed to disclose their inclusion of
7 Fraudulent Expenses on Monthly Invoice No. 1271 and
8 failed to inform Sage Memorial that the true purpose of
9 those Fraudulent Expenses was to fund Razaghi's business
10 and personal interests that were unrelated to, and that would
11 not benefit, Sage Memorial or for work Razaghi otherwise
12 knew was not billable to, or properly reimbursable by, Sage
13 Memorial.

14 (f) Based on Monthly Invoice No. 1271, Razaghi's
15 misrepresentations and material omissions, and their
16 complete control over the administration of Sage Memorial,
17 the sum of \$68,145.30, including amounts relating to
18 Fraudulent Expenses, was transferred from a Sage Memorial
19 account and deposited into a Razaghi Healthcare NV bank
20 account on October 25, 2017.

21 xii. The Invoice 1273 Fraud:

22 (a) Shortly before October 20, 2017, Razaghi caused
23 Razaghi Healthcare NV employees to assemble and prepare
24 Monthly Invoice No. 1273 and to seek from Sage Memorial
25 payment and reimbursement for the fraudulent expenses
26 described below.

(b) After Monthly Invoice No. 1273 was prepared by
Razaghi Healthcare NV employees, and before it was

1 transmitted to Sage Memorial, Invoice No. 1273 was
2 reviewed and approved by Razaghi.

3 (c) October 20, 2017, Razaghi caused Razaghi
4 Healthcare NV to transmit Monthly Invoice No. 1273 to
5 Sage Memorial by Interstate Email. Monthly Invoice No.
6 1273 asked Sage Memorial to pay \$107,228.30 for
7 reimbursement of expenses Razaghi represented Razaghi
8 Healthcare NV had incurred in connection with providing
9 services to Sage Memorial.

10 (d) Among other items of compensation and expense
11 claimed on Monthly Invoice No. 1273 were Fraudulent
12 Expenses. Among other Fraudulent Expenses included on
13 Monthly Invoice No. 1273 were items relating to work
14 performed by a law firm on legal matters for the benefit of
15 Razaghi's unrelated business and personal interests,
16 including the Razaghi 638 Entities, or for work in the
amount of \$1,334.06.

17 (e) Razaghi knew that the Fraudulent Expenses, and
18 others included on Monthly Invoice No. 1273, had not been
19 incurred in connection with services Razaghi Healthcare NV
20 provided to Sage Memorial, but rather had been incurred to
21 advance Razaghi's own separate business and personal
22 interests or for work Razaghi Healthcare NV was not
23 otherwise entitled to compensation or reimbursement.

24 (f) Razaghi, by virtue of his complete control over the
25 administration of Sage Memorial and over the process of
26 reviewing, approving, and paying Monthly Invoices, caused
Sage Memorial to pay Monthly Invoice No. 1273 in full,

1 including all amounts relating to Fraudulent Expenses. In
2 doing so, Razaghi failed to disclose his inclusion of
3 Fraudulent Expenses on Monthly Invoice No. 1273 and
4 failed to inform Sage Memorial that the true purpose of
5 those Fraudulent Expenses was to fund Razaghi's business
6 and personal interests that were unrelated to, and that would
7 not benefit, Sage Memorial or for work Razaghi otherwise
8 knew was not billable to, or properly reimbursable by, Sage
9 Memorial.

10 (g) Based on Monthly Invoice No. 1273, Razaghi's
11 misrepresentations and material omissions, and his complete
12 control over the administration of Sage Memorial, the sum
13 of \$107,228.30, including amounts relating to Fraudulent
14 Expenses, was transferred from a Sage Memorial account
15 and deposited into a Razaghi Healthcare NV bank account
16 on October 25, 2017.

17 xiii. The Invoice 1274 Fraud:

18 (a) Shortly before October 16, 2017, Razaghi caused
19 Razaghi Healthcare NV employees to assemble and prepare
20 Monthly Invoice No. 1274 and to seek payment and
21 reimbursement for the fraudulent expenses described below.

22 (b) After Monthly Invoice No. 1274 was prepared by
23 Razaghi Healthcare NV employees, and before it was
24 transmitted to Sage Memorial, Monthly Invoice No. 1274
25 was reviewed and approved by Razaghi.

26 (c) On or shortly after October 16, 2017, Razaghi caused
Razaghi Healthcare to transmit Monthly Invoice No. 1274 to
Sage Memorial by email. Monthly Invoice No. 1274 asked

1 Sage Memorial to pay \$58,646.39 for services Razaghi
2 represented Razaghi Healthcare NV had provided to Sage
3 Memorial and for reimbursement of expenses Razaghi
4 represented Razaghi Healthcare NV had incurred in
5 connection with providing those services.

6 (d) Among other items of compensation and expense
7 claimed on Monthly Invoice No. 1274 were Fraudulent
8 Expenses. Among other Fraudulent Expenses included on
9 Monthly Invoice No. 1274 were items relating to more than
10 50 hours of time billed for work performed by Razaghi
11 Healthcare NV on matters to develop Razaghi's unrelated
12 business and personal interests, including the Razaghi 638
13 Entities, or for work that was otherwise not billable to, or
14 subject to reimbursement from, Sage Memorial.

15 (e) Razaghi knew that the Fraudulent Expenses, and
16 others included on Monthly Invoice No. 1274, had not been
17 incurred in connection with services Razaghi Healthcare NV
18 provided to Sage Memorial, but rather had been incurred to
19 advance Razaghi's own separate business and personal
20 interests or for work Razaghi Healthcare NV was not
21 otherwise entitled to compensation or reimbursement.

22 (f) Razaghi, by virtue of their complete control over the
23 administration of Sage Memorial and over the process of
24 reviewing, approving, and paying Monthly Invoices, caused
25 Sage Memorial to pay Monthly Invoice No. 1274 in full,
26 including all amounts relating to Fraudulent Expenses. In
doing so, Razaghi failed to disclose his inclusion of
Fraudulent Expenses on Monthly Invoice No. 1274 and

1 failed to inform Sage Memorial that the true purpose of
2 those Fraudulent Expenses was to fund Razaghi's business
3 and personal interests that were unrelated to, and that would
4 not benefit, Sage Memorial or for work Razaghi otherwise
5 knew was not billable to, or properly reimbursable by, Sage
6 Memorial.

7 (g) Based on Monthly Invoice No. 1274, Razaghi's
8 misrepresentations and material omissions, and his complete
9 control over the administration of Sage Memorial, the sum
10 of \$58,646.39, including amounts relating to Fraudulent
11 Expenses, was transferred from a Sage Memorial account
12 and deposited into a Razaghi Healthcare NV bank account
13 on November 13, 2017.

14 xiv. The Invoice 1275 Fraud:

15 (a) Shortly before November 1, 2017, Razaghi caused
16 Razaghi Healthcare NV employees to assemble and prepare
17 Monthly Invoice No. 1275 and to seek payment and
18 reimbursement for the fraudulent expenses described below.

19 (b) After Monthly Invoice No. 1275 was prepared by
20 Razaghi Healthcare NV employees, and before it was
21 transmitted to Sage Memorial, Monthly Invoice No. 1275
22 was reviewed and approved by Razaghi.

23 (c) On or shortly after November 1, 2017, Razaghi
24 caused Razaghi Healthcare NV to transmit Monthly Invoice
25 No. 1275 to Sage Memorial by Interstate Email. Monthly
26 Invoice No. 1275 asked Sage Memorial to pay \$57,383.95
for services Razaghi represented Razaghi Healthcare NV
had provided to Sage Memorial and for reimbursement of

1 expenses Razaghi represented Razaghi Healthcare NV had
2 incurred in connection with providing those services.

3 (d) Among other items of compensation and expense
4 claimed on Monthly Invoice No. 1275 were Fraudulent
5 Expenses. Among other Fraudulent Expenses included on
6 Monthly Invoice No. 1275 were items relating to more than
7 140 hours of time billed for work performed by Razaghi
8 Healthcare NV on matters to develop Razaghi's unrelated
9 business and personal interests, including the Razaghi 638
10 Entities, or for work that was otherwise not billable to, or
11 subject to reimbursement from, Sage Memorial.

12 (e) Razaghi knew that the Fraudulent Expenses, and
13 others included on Monthly Invoice No. 1275, had not been
14 incurred in connection with services Razaghi Healthcare NV
15 provided to Sage Memorial, but rather had been incurred to
16 advance Razaghi's own separate business and personal
17 interests or for work Razaghi Healthcare NV was not
18 otherwise entitled to compensation or reimbursement.

19 (f) Razaghi, by virtue of his complete control over the
20 administration of Sage Memorial and over the process of
21 reviewing, approving, and paying Monthly Invoices, caused
22 Sage Memorial to pay Monthly Invoice No. 1275 in full,
23 including all amounts relating to Fraudulent Expenses. In
24 doing so, Razaghi failed to disclose his inclusion of
25 Fraudulent Expenses on Monthly Invoice No. 1275 and
26 failed to inform Sage Memorial that the true purpose of
those Fraudulent Expenses was to fund Razaghi's business
and personal interests that were unrelated to, and that would

1 not benefit, Sage Memorial or for work Razaghi otherwise
2 knew was not billable to, or properly reimbursable by, Sage
3 Memorial.

4 (g) Based on Monthly Invoice No. 1275, Razaghi's
5 misrepresentations and material omissions, and his complete
6 control over the administration of Sage Memorial, the sum
7 of \$57,383.95, including amounts relating to Fraudulent
8 Expenses, was transferred from a Sage Memorial account
9 and deposited into a Razaghi Healthcare NV bank account
10 on November 13, 2017.

11 xv. The Invoice 1277 Fraud:

12 (a) Shortly before September 29, 2017, Razaghi caused
13 Razaghi Healthcare NV employees to assemble and prepare
14 Monthly Invoice No. 1277 and to seek payment and
15 reimbursement for the fraudulent expenses described below.

16 (b) After Monthly Invoice No. 1277 was prepared by
17 Razaghi Healthcare NV employees, and before it was
18 transmitted to Sage Memorial, Monthly Invoice No. 1277
19 was reviewed and approved by Razaghi.

20 (c) On or shortly after November 1, 2017, Razaghi
21 caused Razaghi Healthcare NV to transmit Monthly Invoice
22 No. 1277 to Sage Memorial by Interstate mail. Monthly
23 Invoice 1277 asked Sage Memorial to pay \$171,471.05 for
24 services Razaghi represented Razaghi Healthcare NV had
25 provided to Sage Memorial and for reimbursement of
26 expenses Razaghi represented Razaghi Healthcare NV had
incurred in connection with providing those services.

1 (d) Among other items of compensation and expense
2 claimed on Monthly Invoice No. 1277 were Fraudulent
3 Expenses. Among other Fraudulent Expenses included on
4 Monthly Invoice No. 1277 were items relating to payment
5 of fees owing to an architect performing services in
6 connection with land that would be owned and developed by
7 Razaghi, Razaghi Healthcare NV, or their affiliates for their
8 own business and personal purposes, in the amount of
9 \$79,002.97.

10 (e) Razaghi knew that the Fraudulent Expenses, and
11 others include on Monthly Invoice No. 1277, had not been
12 incurred in connection with services Razaghi Healthcare NV
13 provided to Sage Memorial, but rather had been incurred to
14 advance Razaghi's own separate business and personal
15 interests or for work Razaghi Healthcare NV was not
16 otherwise entitled to compensation or reimbursement.

17 (f) Razaghi, by virtue of his complete control over the
18 administration of Sage Memorial and over the process of
19 reviewing, approving, and paying Monthly Invoices, caused
20 Sage Memorial to pay Monthly Invoice No. 1277 in full,
21 including all amounts relating to Fraudulent Expenses. In
22 doing so, Razaghi failed to disclose his inclusion of
23 Fraudulent Expenses on Monthly Invoice No. 1277 and
24 failed to inform Sage Memorial that the true purpose of
25 those Fraudulent Expenses was to fund Razaghi's business
26 and personal interests that were

(g) Based on Monthly Invoice No. 1277, Razaghi's
misrepresentations and material omissions, and his complete

1 control over the administration of Sage Memorial, the sum
2 of \$171,471.05, including amounts relating to Fraudulent
3 Expenses, was transferred from a Sage Memorial account
4 and deposited into a Razaghi Healthcare NV bank account
5 on November 13, 2017.

6 xvi. The Invoice 1278 Fraud:

7 (a) Shortly before November 20, 2017, Razaghi caused
8 Razaghi Healthcare NV employees to assemble and prepare
9 Monthly Invoice No. 1278 and to seek payment and
10 reimbursement for the fraudulent expenses described below.

11 (b) After Monthly Invoice No. 1278 was prepared by
12 Razaghi Healthcare NV employees, and before it was
13 transmitted to Sage Memorial, Monthly Invoice No. 1278
14 was reviewed and approved by Razaghi.

15 (c) On or shortly after November 20, 2017, Razaghi
16 caused Razaghi Healthcare to transmit Monthly Invoice No.
17 1278 to Sage Memorial by Interstate Email. Monthly
18 Invoice No. 1278 asked Sage Memorial to pay \$56,778.16
19 for services Razaghi represented Razaghi Healthcare NV
20 had provided to Sage Memorial and for reimbursement of
21 expenses Razaghi represented Razaghi Healthcare NV had
22 incurred in connection with providing those services.

23 (d) Among other items of compensation and expense
24 claimed on Monthly Invoice No. 1278 were Fraudulent
25 Expenses. Among other Fraudulent Expenses included on
26 Monthly Invoice No. 1278 were items relating to more than
70 hours of time billed for work performed by Razaghi
Healthcare NV on matters to develop Razaghi's unrelated

1 business and personal interests, including the Razaghi 638
2 Entities, or for work that was otherwise not billable to, or
3 subject to reimbursement from, Sage Memorial.

4 (e) Razaghi knew that the Fraudulent Expenses, and
5 others included on Monthly Invoice No. 1278, had not been
6 incurred in connection with services Razaghi Healthcare NV
7 provided to Sage Memorial, but rather had been incurred to
8 advance Razaghi's own separate business and personal
9 interests or for work Razaghi Healthcare was not otherwise
10 entitled to compensation or reimbursement.

11 (f) Razaghi, by virtue of his complete control over the
12 administration of Sage Memorial and over the process of
13 reviewing, approving, and paying Monthly Invoices, caused
14 Sage Memorial to pay Monthly Invoice No. 1278 in full,
15 including all amounts relating to Fraudulent Expenses. In
16 doing so, Razaghi failed to disclose his inclusion of
17 Fraudulent Expenses on Monthly Invoice No. 1278 and
18 failed to inform Sage Memorial that the true purpose of
19 those Fraudulent Expenses was to fund Razaghi's business
20 and personal interests that were unrelated to, and that would
21 not benefit, Sage Memorial or for work Razaghi otherwise
22 knew was not billable to, or properly reimbursable by, Sage
23 Memorial.

24 (g) Based on Monthly Invoice No. 1278, Razaghi's
25 misrepresentations and material omissions, and his complete
26 control over the administration of Sage Memorial, the sum
of \$56,778.16, including amounts relating to Fraudulent
Expenses, was transferred from a Sage Memorial account

1 and deposited into a Razaghi Healthcare NV bank account
2 on November 21, 2017.

3 xvii. The Invoice 1279 Fraud:

4 (a) Shortly before November 20, 2017, Razaghi caused
5 Razaghi Healthcare NV employees to assemble and prepare
6 Monthly Invoice No. 1279 and to seek payment and
7 reimbursement for the fraudulent expenses described below.

8 (b) After Monthly Invoice No. 1279 was prepared by
9 Razaghi Healthcare NV employees, and before it was
10 transmitted to Sage Memorial, Monthly Invoice No. 1279
11 was reviewed and approved by Razaghi.

12 (c) On or shortly after November 20, 2017, Razaghi
13 caused Razaghi Healthcare to transmit Monthly Invoice No.
14 1279 to Sage Memorial by Interstate Email. Monthly
15 Invoice No. 1279 asked Sage Memorial to pay \$64,570.14
16 for services Razaghi represented Razaghi Healthcare NV
17 had provided to Sage Memorial and for reimbursement of
18 expenses Razaghi represented Razaghi Healthcare NV had
19 incurred in connection with providing those services.

20 (d) Among other items of compensation and expense
21 claimed on Monthly Invoice No. 1279 were Fraudulent
22 Expenses. Among other Fraudulent Expenses included on
23 Monthly Invoice No. 1279 were items relating more than
24 140 hours of time billed for work performed by Razaghi
25 Healthcare NV on matters to develop Razaghi's unrelated
26 business and personal interests, including the Razaghi 638
Entities, or for work that was otherwise not billable to, or
subject to reimbursement from, Sage Memorial.

1 (e) Razaghi knew that the Fraudulent Expenses, and
2 others included on Monthly Invoice No. 1279, had not been
3 incurred in connection with services Razaghi Healthcare
4 provided to Sage Memorial, but rather had been incurred to
5 advance Razaghi's own separate business and personal
6 interests or for work Razaghi Healthcare NV was not
7 otherwise entitled to compensation or reimbursement.

8 (f) Razaghi, by virtue of his complete control over the
9 administration of Sage Memorial and over the process of
10 reviewing, approving, and paying Monthly Invoices, caused
11 Sage Memorial to pay Monthly Invoice No. 1279 in full,
12 including all amounts relating to Fraudulent Expenses. In
13 doing so, Razaghi failed to disclose his inclusion of
14 Fraudulent Expenses on Monthly Invoice No. 1279 and
15 failed to inform Sage Memorial that the true purpose of
16 those Fraudulent Expenses was to fund Razaghi's business
17 and personal interests that were unrelated to, and that would
18 not benefit, Sage Memorial or for work Razaghi otherwise
19 knew was not billable to, or properly reimbursable by, Sage
20 Memorial.

21 (g) Based on Monthly Invoice No. 1279, Razaghi's
22 misrepresentations and material omissions, and his complete
23 control over the administration of Sage Memorial, the sum
24 of \$64,570.14, including amounts relating to Fraudulent
25 Expenses, was transferred from a Sage Memorial account
26 and deposited into a Razaghi Healthcare NV bank account
on November 21, 2017.

xviii. The Invoice 1281 Fraud:

(a) Shortly before November 20, 2017, Razaghi caused Razaghi Healthcare NV employees to assemble and prepare Monthly Invoice No. 1281 and to seek payment and reimbursement for the fraudulent expenses described below.

(b) After Monthly Invoice No. 1281 was prepared by Razaghi Healthcare NV employees, and before it was transmitted to Sage Memorial, Monthly Invoice No. 1281 was reviewed and approved by Razaghi.

(c) On or shortly after November 20, 2017, Razaghi caused Razaghi Healthcare NV to transmit Monthly Invoice No. 1281 to Sage Memorial by email. Monthly Invoice 1281 asked Sage Memorial to pay \$69,422.64 for services Razaghi represented Razaghi Healthcare NV had provided to Sage Memorial and for reimbursement of expenses Razaghi represented Razaghi Healthcare NV had incurred in connection with providing those services.

(d) Among other items of compensation and expense claimed on Monthly Invoice No. 1281 were Fraudulent Expenses. Among other Fraudulent Expenses included on Monthly Invoice No. 1281 were items relating to legal fees to a law firm for work on matters for Razaghi's personal or business interests, including the Razaghi 638 Entities, or for work that was otherwise not billable to, or subject to reimbursement from, Sage Memorial, in the amount of \$9,817.50.

(e) Razaghi knew that the Fraudulent Expenses, and others included on Monthly Invoice No. 1281, had not

1 been incurred in connection with services Razaghi
2 Healthcare NV provided to Sage Memorial, but rather had
3 been incurred to advance Razaghi's own separate business
4 and personal interests or for work Razaghi Healthcare NV
5 was not otherwise entitled to compensation or
6 reimbursement.

7 (f) Razaghi, by virtue of his complete control
8 over the administration of Sage Memorial and over the
9 process of reviewing, approving, and paying Monthly
10 Invoices, caused Sage Memorial to pay Monthly Invoice
11 No. 1281 in full, including all amounts relating to
12 Fraudulent Expenses. In doing so, Razaghi failed to disclose
13 their inclusion of Fraudulent Expenses on Monthly Invoice
14 1281 and failed to inform Sage Memorial that the true
15 purpose of those Fraudulent Expenses was to fund
16 Razaghi's business and personal interests that were
17 unrelated to, and that would not benefit, Sage Memorial or
18 for work Razaghi otherwise knew was not billable to, or
 properly reimbursable by, Sage Memorial.

19 (g) Based on Monthly Invoice No. 1281,
20 Razaghi's misrepresentations and material omissions, and
21 his complete control over the administration of Sage
22 Memorial, the sum of \$69,422.64, including amounts
23 relating to Fraudulent Expenses, was transferred from a
24 Sage Memorial account and deposited into a Razaghi
25 Healthcare NV bank account on November 21, 2017.
26

1 billable to, or subject to reimbursement from, Sage
2 Memorial.

3 (e) Razaghi and Hasan knew that the Fraudulent
4 Expenses, and others included on Monthly Invoice 1303,
5 had not been incurred in connection with services Razaghi
6 Healthcare NV provided to Sage Memorial, but rather had
7 been incurred to advance Razaghi's and Hasan's own
8 separate business and personal interests or for work Razaghi
9 Healthcare NV was not otherwise entitled to compensation
10 or reimbursement.

11 (f) Razaghi and Hasan, by virtue of their complete
12 control over the administration of Sage Memorial and over
13 the process of reviewing, approving, and paying Monthly
14 Invoices, caused Sage Memorial to pay Monthly Invoice
15 No. 1303 in full, including all amounts relating to
16 Fraudulent Expenses. In doing so, Razaghi and Hasan failed
17 to disclose their inclusion of Fraudulent Expenses on
18 Monthly Invoice No. 1303 and failed to inform Sage
19 Memorial that the true purpose of those Fraudulent
20 Expenses was to fund Razaghi's and Hasan's business and
21 personal interests that were unrelated to, and that would not
22 benefit, Sage Memorial or for work Razaghi and Hasan
23 otherwise knew was not billable to, or properly reimbursable
24 by, Sage Memorial.

25 (g) Based on Monthly Invoice No. 1303, Razaghi's and
26 Hasan's misrepresentations and material omissions, and
their complete control over the administration of Sage
Memorial, the sum of \$52,990.36, including amounts

1 relating to Fraudulent Expenses, was transferred from a
2 Sage Memorial account and deposited into a Razaghi
3 Healthcare NV bank account on February 27, 2017.

4 xx. The Invoice 1308 Fraud:

5 (a) Shortly before February 26, 2018, Razaghi and Hasan
6 caused Razaghi Healthcare NV employees to assemble and
7 prepare Monthly Invoice No. 1308 and to seek payment and
8 reimbursement for the fraudulent expenses described below.

9 (b) After Monthly Invoice No. 1308 was prepared by
10 Razaghi Healthcare NV employees, and before it was
11 transmitted to Sage Memorial, Monthly Invoice No. 1308
12 was reviewed and approved by Razaghi and Hasan.

13 (c) On or shortly after February 26, 2018, Razaghi and
14 Hasan caused Razaghi Healthcare to transmit Monthly
15 Invoice No. 1308 to Sage Memorial by Interstate Email.
16 Monthly Invoice No. 1308 asked Sage Memorial to pay
17 \$51,824.12 for services Razaghi and Hasan represented
18 Razaghi Healthcare NV had provided to Sage Memorial and
19 for reimbursement of expenses Razaghi and Hasan
20 represented Razaghi Healthcare NV had incurred in
21 connection with providing those services.

22 (d) Among other items of compensation and expense
23 claimed on Monthly Invoice No. 1308 were Fraudulent
24 Expenses. Among other Fraudulent Expenses included on
25 Monthly Invoice No. 1308 were items relating to fees in the
26 amount of \$12,500 for a consulting firm for work performed
on behalf of Razaghi, Razaghi Healthcare, or their affiliates
in connection with Defendants' unrelated business and

1 personal interests, including the Razaghi 638 Entities, or for
2 work that was otherwise not billable to, or subject to
3 reimbursement from, Sage Memorial.

4 (e) Razaghi and Hasan knew that the Fraudulent
5 Expenses, and others included on Monthly Invoice No.
6 1308, had not been incurred in connection with services
7 Razaghi Healthcare NV provided to Sage Memorial, but
8 rather had been incurred to advance Razaghi's and Hasan's
9 own separate business and personal interests or for work
10 Razaghi Healthcare was not otherwise entitled to
11 compensation or reimbursement.

12 (f) Razaghi and Hasan, by virtue of their complete
13 control over the administration of Sage Memorial and over
14 the process of reviewing, approving, and paying Monthly
15 Invoices, caused Sage Memorial to pay Monthly Invoice
16 No. 1308 in full, including all amounts relating to
17 Fraudulent Expenses. In doing so, Razaghi and Hasan failed
18 to disclose their inclusion of Fraudulent Expenses on
19 Monthly Invoice No. 1308 and failed to inform Sage
20 Memorial that the true purpose of those Fraudulent
21 Expenses was to fund Razaghi's and Hasan's business and
22 personal interests that were unrelated to, and that would not
23 benefit, Sage Memorial or for work Razaghi and Hasan
24 otherwise knew was not billable to, or properly reimbursable
25 by, Sage Memorial.

26 (g) Based on Monthly Invoice No. 1308, Razaghi's and
Hasan's misrepresentations and material omissions, and
their complete control over the administration of Sage

1 Memorial, the sum of \$51,824.12, including amounts
2 relating to Fraudulent Expenses, was transferred from a
3 Sage Memorial account and deposited into a Razaghi
4 Healthcare NV bank account on February 27, 2017.

5 xxi. The Invoice 1336 Fraud:

6 (a) Shortly before May 25, 2018, Razaghi and Hasan
7 caused Razaghi Healthcare NV employees to assemble and
8 prepare Monthly Invoice No. 1336 and to seek payment and
9 reimbursement for the fraudulent expenses described below.

10 (b) After Monthly Invoice No. 1336 was prepared by
11 Razaghi Healthcare NV employees, and before it was
12 transmitted to Sage Memorial, Monthly Invoice No. 1336
13 was reviewed and approved by Razaghi and Hasan.

14 (c) On or shortly after May 25, 2018, Razaghi and Hasan
15 caused Razaghi Healthcare NV to transmit Monthly Invoice
16 No. 1336 to Sage Memorial by Interstate Email. Monthly
17 Invoice No. 1336 asked Sage Memorial to pay \$164,609.35
18 for services Razaghi and Hasan represented Razaghi
19 Healthcare NV had provided to Sage Memorial and for
20 reimbursement of expenses Razaghi and Hasan represented
21 Razaghi Healthcare NV had incurred in connection with
22 providing those services.

23 (d) Among other items of compensation and expense
24 claimed on Monthly Invoice No. 1336 were Fraudulent
25 Expenses. Among other Fraudulent Expenses included on
26 Monthly Invoice No. 1336 were items relating to fees in the
amount of \$153,515.47 for a consulting firm for work
performed on behalf of Razaghi Healthcare, Razaghi, and

1 Hasan, or their affiliates, in connection with Razaghi's and
2 Hasan's unrelated business and personal interests, including
3 the Razaghi 638 Entities, or for work that was otherwise not
4 billable to, or subject to reimbursement from, Sage
5 Memorial.

6 (e) Razaghi and Hasan knew that the Fraudulent
7 Expenses, and others included on Monthly Invoice No.
8 1336, had not been incurred in connection with services
9 Razaghi Healthcare NV provided to Sage Memorial, but
10 rather had been incurred to advance Razaghi's and Hasan's
11 own separate business and personal interests or for work
12 Razaghi Healthcare was not otherwise entitled to
13 compensation or reimbursement.

14 (f) Razaghi and Hasan, by virtue of their complete
15 control over the administration of Sage Memorial and over
16 the process of reviewing, approving, and paying Monthly
17 Invoices, caused Sage Memorial to pay Monthly Invoice
18 No. 1336 in full, including all amounts relating to
19 Fraudulent Expenses. In doing so Razaghi and Hasan failed
20 to disclose their inclusion of Fraudulent Expenses on
21 Monthly Invoice No. 1336 and failed to inform Sage
22 Memorial that the true purpose of those Fraudulent
23 Expenses was to fund Defendants' business and personal
24 interests that were unrelated to, and that would not benefit,
25 Sage Memorial or for work Razaghi and Hasan otherwise
26 knew was not billable to, or properly reimbursable by, Sage
Memorial.

1 (g) Based on Monthly Invoice No. 1336, Razaghi's and
2 Hasan's misrepresentations and material omissions, and
3 their complete control over the administration of Sage
4 Memorial, the sum of \$164,609.35, including amounts
5 relating to Fraudulent Expenses, was transferred from a
6 Sage Memorial account and deposited into a Razaghi
7 Healthcare NV bank account.

8 xxii. The Invoice 1345 Fraud:

9 (a) Shortly before June 22, 2018, Razaghi and Hasan
10 caused Razaghi Healthcare NV employees to assemble and
11 prepare Monthly Invoice No. 1345 and to seek payment and
12 reimbursement for the fraudulent expenses described below.

13 (b) After Monthly Invoice No. 1345 was prepared by
14 Razaghi Healthcare NV employees, and before it was
15 transmitted to Sage Memorial, Monthly Invoice No. 1345
16 was reviewed and approved by Razaghi and Hasan.

17 (c) On or shortly after June 22, 2018, Razaghi and Hasan
18 caused Razaghi Healthcare NV to transmit Monthly Invoice
19 No. 1345 to Sage Memorial by Interstate Email. Monthly
20 Invoice No. 1345 asked Sage Memorial to pay \$184,829.24
21 for services Razaghi and Hasan represented Razaghi
22 Healthcare NV had provided to Sage Memorial and for
23 reimbursement of expenses Razaghi and Hasan represented
24 Razaghi Healthcare NV had incurred in connection with
25 providing those services.

26 (d) Among other items of compensation and expense
claimed on Monthly Invoice No. 1345 were Fraudulent
Expenses. Among other Fraudulent Expenses included on

1 Monthly Invoice No. 1345 were items relating to fees in the
2 amount of \$76,843.18 for a consulting firm for work
3 performed on behalf of Razaghi Healthcare, Razaghi, and
4 Hasan, or their affiliates, in connection with Razaghi's and
5 Hasan's unrelated business and personal interests, including
6 the Razaghi 638 Entities, or for work that was otherwise not
7 billable to, or subject to reimbursement from, Sage
8 Memorial.

9 (e) Razaghi and Hasan knew that the Fraudulent
10 Expenses, and others included on Monthly Invoice No.
11 1345, had not been incurred in connection with services
12 Razaghi Healthcare NV provided to Sage Memorial, but
13 rather had been incurred to advance Razaghi's and Hasan's
14 own separate business and personal interests or for work
15 Razaghi Healthcare was not otherwise entitled to
16 compensation or reimbursement.

17 (f) Razaghi and Hasan, by virtue of their complete
18 control over the administration of Sage Memorial and over
19 the process of reviewing, approving, and paying Monthly
20 Invoices, caused Sage Memorial to pay Monthly Invoice
21 No. 1345 in full, including all amounts relating to
22 Fraudulent Expenses. In doing so, Razaghi and Hasan failed
23 to disclose their inclusion of Fraudulent Expenses on
24 Monthly Invoice No. 1345 and failed to inform Sage
25 Memorial that the true purpose of those Fraudulent
26 Expenses was to fund Defendants' business and personal
interests that were unrelated to, and that would not benefit,
Sage Memorial or for work Razaghi and Hasan otherwise

1 knew was not billable to, or properly reimbursable by, Sage
2 Memorial.

3 (g) Based on Monthly Invoice No. 1345, Razaghi's and
4 Hasan's misrepresentations and material omissions, and
5 their complete control over the administration of Sage
6 Memorial, the sum of \$184,829.24, including amounts
7 relating to Fraudulent Expenses, was transferred from a
8 Sage Memorial account and deposited into a Razaghi
9 Healthcare NV bank account.

10 xxiii. The Invoice 1354 Fraud:

11 (a) Shortly before July 19, 2018, Razaghi and Hasan
12 caused Razaghi Healthcare NV employees to assemble and
13 prepare Monthly Invoice No. 1354 and to seek payment and
14 reimbursement for the fraudulent expenses described below.

15 (b) After Monthly Invoice No. 1354 was prepared by
16 Razaghi Healthcare NV employees, and before it was
17 transmitted to Sage Memorial, Monthly Invoice No. 1354
18 was reviewed and approved by Razaghi and Hasan.

19 (c) On or shortly after July 19, 2018, Razaghi and Hasan
20 caused Razaghi Healthcare NV to transmit Monthly Invoice
21 No. 1354 to Sage Memorial by Interstate Email. Monthly
22 Invoice No. 1354 asked Sage Memorial to pay \$32,775.89
23 for services Razaghi and Hasan represented Razaghi
24 Healthcare NV had provided to Sage Memorial and for
25 reimbursement of expenses Razaghi and Hasan represented
26 Razaghi Healthcare NV had incurred in connection with
providing those services.

1 (d) Among other items of compensation and expense
2 claimed on Monthly Invoice No. 1354 were Fraudulent
3 Expenses. Among other Fraudulent Expenses included on
4 Monthly Invoice No. 1354 were items relating to fees in the
5 amount of \$2,014.10 for a consulting firm for work
6 performed on behalf of Razaghi Healthcare, Razaghi, and
7 Hasan, or their affiliates, in connection with Razaghi's and
8 Hasan's unrelated business and personal interests, including
9 the Razaghi 638 Entities, or for work that was otherwise not
10 billable to, or subject to reimbursement from, Sage
11 Memorial.

12 (e) Razaghi and Hasan knew that the Fraudulent
13 Expenses, and others included on Monthly Invoice No.
14 1354, had not been incurred in connection with services
15 Razaghi Healthcare NV provided to Sage Memorial, but
16 rather had been incurred to advance Razaghi's and Hasan's
17 own separate business and personal interests or for work
18 Razaghi Healthcare was not otherwise entitled to
19 compensation or reimbursement.

20 (f) Razaghi and Hasan, by virtue of their complete
21 control over the administration of Sage Memorial and over
22 the process of reviewing, approving, and paying Monthly
23 Invoices, caused Sage Memorial to pay Monthly Invoice
24 No. 1354 in full, including all amounts relating to
25 Fraudulent Expenses. In doing so, Razaghi and Hasan failed
26 to disclose their inclusion of Fraudulent Expenses on
Monthly Invoice No. 1354 and failed to inform Sage
Memorial that the true purpose of those Fraudulent

Expenses was to fund Defendants' business and personal interests that were unrelated to, and that would not benefit, Sage Memorial or for work Razaghi and Hasan otherwise knew was not billable to, or properly reimbursable by, Sage Memorial.

(g) Based on Monthly Invoice No. 1354, Razaghi's and Hasan's misrepresentations and material omissions, and their complete control over the administration of Sage Memorial, the sum of \$32,775.89, including amounts relating to Fraudulent Expenses, was transferred from a Sage Memorial account and deposited into a Razaghi Healthcare NV bank account.

b. The Razaghi Compensation Frauds

i. Razaghi Compensation Fraud Table

Date	Razaghi Hourly Compensation billed at \$495 per hour instead of \$175 per hour	Defendant
5/20/2015	\$30,690.00	Razaghi
6/2/2015	\$34,650.00	Razaghi
6/16/2015	\$39,600.00	Razaghi
6/30/2015	\$31,680.00	Razaghi
7/15/2015	\$9,900.00	Razaghi
7/29/2015	\$13,365.00	Razaghi
8/11/2015	\$30,318.75	Razaghi
8/25/2015	\$38,981.25	Razaghi
9/8/2015	\$32,917.50	Razaghi
9/23/2015	\$30,318.75	Razaghi
10/7/2015	\$47,272.50	Razaghi, Hasan
11/16/2015	\$37,743.75	Razaghi, Hasan
12/1/2015	\$62,617.50	Razaghi, Hasan
1/11/2016	\$35,245.00	Razaghi, Hasan
2/22/2016	\$60,588.00	Razaghi, Hasan

Date	Razaghi Hourly Compensation billed at \$495 per hour instead of \$175 per hour	Defendant
3/7/2016	\$75,982.50	Razaghi, Hasan
5/16/2016	\$54,573.55	Razaghi, Hasan
5/31/2016	\$55,316.25	Razaghi, Hasan
7/25/2016	\$23,512.50	Razaghi, Hasan
8/22/2016	\$41,827.50	Razaghi, Hasan
9/6/2016	\$ 21,532.50	Razaghi, Hasan
9/19/2016	\$30,442.50	Razaghi, Hasan
10/4/2016	\$16,335.00	Razaghi, Hasan
10/18/2016	\$40,713.75	Razaghi, Hasan
1/23/2017	\$ 43,065.00	Razaghi, Hasan
2/6/2017	\$22,151.25	Razaghi, Hasan
2/21/2017	\$25,863.75	Razaghi, Hasan
3/6/2017	\$22,770.00	Razaghi, Hasan
3/20/2017	\$13,365.00	Razaghi, Hasan
4/18/2017	\$83,655.00	Razaghi, Hasan
5/1/2017	\$14,378.50	Razaghi, Hasan
5/17/2017	\$40,095.00	Razaghi, Hasan
6/1/2017	\$17,325.00	Razaghi, Hasan
6/29/2017	\$79,942.50	Razaghi, Hasan
7/13/2017	\$41,332.50	Razaghi, Hasan
8/9/2017	\$49,995.00	Razaghi, Hasan
8/11/2017	\$18,562.50	Razaghi, Hasan
8/24/2017	\$38,610.00	Razaghi, Hasan
9/7/2017	\$32,917.50	Razaghi
9/25/2017	\$24,750.00	Razaghi
9/29/2017	\$19,305.00	Razaghi
10/20/2017	\$ 26,482.50	Razaghi
11/1/2017	\$32,422.50	Razaghi
11/20/2017	\$26,482.50	Razaghi
11/28/2017	\$27,720.00	Razaghi
12/12/2017	\$28,338.75	Razaghi
1/3/2018	\$36,877.50	Razaghi, Hasan
2/14/2018	\$24,255.00	Razaghi, Hasan
2/14/2018	\$36,011.25	Razaghi, Hasan
2/22/2018	\$35,516.25	Razaghi, Hasan
3/5/2018	\$43,931.25	Razaghi, Hasan
3/21/2018	\$30,813.75	Razaghi, Hasan
4/2/2018	\$18,686.25	Razaghi, Hasan

Date	Razaghi Hourly Compensation billed at \$495 per hour instead of \$175 per hour	Defendant
5/14/2018	\$32,670.00	Razaghi, Hasan
5/29/2018	\$24,502.50	Razaghi, Hasan
6/11/2018	\$29,452.50	Razaghi, Hasan
6/25/2018	\$31,061.25	Razaghi, Hasan
7/10/2018	\$27,967.50	Razaghi, Hasan
7/30/2018	\$36,258.75	Razaghi, Hasan
8/6/2018	\$63,855.00	Razaghi, Hasan
8/20/2018	\$35,145.00	Razaghi, Hasan
8/23/2018	\$74,745.00	Razaghi, Hasan
	\$2,207,402.55	

ii. Shortly before each of the dates set forth for each invoice in the Razaghi Compensation Fraud Table, set forth above, the identified Defendants caused Razaghi Healthcare NV employees to assemble and prepare the Monthly Invoices identified in the Table and to seek payment for the fraudulent compensation relating to Razaghi's billed time as described in each invoice listed in the Razaghi Compensation Fraud Table.

iii. After each invoice in the Compensation Fraud Table was prepared by Razaghi Healthcare NV employees, and before it was transmitted to Sage Memorial, it was reviewed and approved by the defendant identified in the Table.

iv. On or shortly after the date of each invoice in the Razaghi Compensation Fraud Table, the identified Defendant caused Razaghi Healthcare NV to transmit each invoice to Sage Memorial by Interstate Email. Each invoice asked Sage Memorial to pay the amount set forth in the Razaghi Compensation Fraud Table for time Razaghi billed to Sage Memorial. The identified Defendant represented to Sage Memorial that Razaghi Healthcare NV was billing the correct hourly rate for Razaghi's time. The identified Defendant knew that each representation concerning

1 Razaghi's compensation in each invoice in the Razaghi Compensation
2 Fraud Table was false when each applicable invoice was transmitted to
3 Sage Memorial.

4 v. On the date of each invoice in the Razaghi Compensation
5 Fraud Table, the applicable CEO Services Contract provided that the Sage
6 Board and Razaghi Healthcare NV contractually agreed that Razaghi
7 Healthcare NV would charge \$175 per hour for professional time Razaghi
8 rendered to Sage Memorial. In violation of the terms of the applicable CEO
9 Services Contract, for each invoice listed in the Razaghi Compensation
10 Fraud Table, the identified Defendant intentionally and fraudulently caused
11 Razaghi Healthcare NV to bill Sage Memorial \$530 per hour with a \$35 per
12 hour discount for a net billable amount of \$495 per hour instead of \$175 per
13 hour.

14 vi. The applicable Defendant identified in the Razaghi
15 Compensation Fraud Table was able to conceal the fact that Razaghi's time
16 was being billed at a net \$495 per hour instead of \$175 per hour because
17 identified Defendant controlled the people at Razaghi Healthcare NV who
18 prepared and transmitted to Sage Memorial each invoice, controlled the
19 people at Sage Memorial who received and reviewed each invoice listed in
20 the Razaghi Compensation Fraud Table, and controlled the people at Sage
21 Memorial who approved and paid each invoice. As a consequence of the
22 complete control over Sage Memorial, no one involved in reviewing,
23 approving, and paying the invoices listed in the Razaghi Compensation
24 Fraud Table was independent and in a position to know of the fraud or to
25 disclose the fraud to the Sage Board.

26 vii. As a result, for each invoice listed in the Razaghi
Compensation Fraud Table, the identified Defendant intentionally and
fraudulently billed Sage Memorial an hourly rate for Razaghi's time that

1 was almost three times the contractually agreed hourly rate. The identified
2 Defendant knew that the invoices contained false compensation claims for
3 Razaghi's time and that Razaghi Healthcare NV was not entitled to payment
4 for the amounts billed invoice for Razaghi's time.

5 viii. The identified Defendant, by virtue of his, or their complete
6 control over the administration of Sage Memorial and over the process of
7 reviewing, approving, and paying invoices, caused Sage Memorial to pay
8 each invoice in the Razaghi Compensation Fraud Table in full, including
9 all amounts relating to false compensation claims for Razaghi's time. In
10 doing so, the identified Defendant failed to disclose his, or their, inclusion
11 of false compensation claims for Razaghi's time on the invoices and failed
12 to inform Sage Memorial that the true purpose of those false compensation
13 claims was to enrich Razaghi Healthcare NV, Razaghi, and to expand the
14 Enterprise through a pattern of racketeering activity.

15 ix. Based on each invoice in the Razaghi Compensation Fraud
16 Table, the identified Defendant's misrepresentations and material
17 omissions, and his, or their, complete control over the administration of
18 Sage Memorial, the sums set forth for each invoice, which included the
19 fraudulent billing for Razaghi's time, as well as other amounts identified on
20 each, was transferred from a Sage Memorial account and deposited into a
21 Razaghi Healthcare NV bank account on a date shortly after the invoice was
22 transmitted to Sage Memorial.

23 c. The Termination Payment Fraud

24 i. On or about August 27, 2018, Razaghi defrauded Sage
25 Memorial of \$10.8 million:

26 Sage Memorial employee Hardy notified Hasan via e-mail that she
had completed uploading invoice #1369 in Sage Memorial's
payment system, as directed by Hasan. This was in response to the

1 fact that Defendants Razaghi and Hasan had, that same day, made
2 representations to Hardy when they electronically submitted written
3 invoice #1369 to Sage Memorial's accounting department and
4 Hasan verbally directed Hardy (an accounting clerk) during a
5 telephone conversation to pay the invoice in the amount of
6 \$10,855,134.15. The invoice presented a material fact: that Sage
7 owed Razaghi and Razaghi Healthcare NV \$10,855,134.15. At the
8 time the invoice was submitted, both Razaghi and Hasan knew this
9 statement was not true because the very contract they were relying
10 upon (the second amended contract) and cited in the invoice
11 permitted Sage a 30-day curative period. Indeed, recognizing this
12 fact, Hasan expressed urgency to Hardy that the invoice be paid and
13 he manipulated Sage's accounts, by virtue of his position as CFO, to
14 ensure there would be sufficient money in the general operating
15 account to pay the \$10,855,134.15. All of this was accomplished by
16 Hasan within 90 minutes. As Hardy's supervisor, notwithstanding
17 that he was merely a contract CFO, Hasan knew that she would act
18 upon his request given the imbalance in their respective positions –
19 she was a clerk and he was the CFO. When Hardy received the
20 invoice, she was ignorant of its falsity and assumed Hasan was
21 telling her the truth given his position as CFO. When he verbally
22 directed her via a telephone conversation to process the
23 \$10,855,134.15 she believed she was required to follow his
24 directive.

25 Hasan, a few minutes later, accessed Sage Memorial's online
26 banking portal system and transferred \$500,000.00 from the
hospital's IHS Funding Account and \$10,855,000.00 from Sage's

1 Third-Party Revenue Account to Sage's General Operating Account
2 to cover the \$10.8 million invoice.

3 Hasan, as contract CFO, approved \$10.8 million payment to Razaghi
4 Healthcare NV. Razaghi Healthcare NV is immediately paid by
5 "automated clearing house" or ACH payment instantly and the funds
6 are taken from Sage Memorial's General Operating Account at
7 Wells Fargo.

8 d. The Post August 2018 Fictitious Provision of Services by Razaghi
9 From September 11, 2018 through the present, after his termination
10 of employment, Razaghi used the interstate wires to email invoices to Sage
11 Memorial demanding payment of over \$1.8 million for fictitious services.
12 Indeed, after the filing of the Original Complaint, Razaghi continued to
13 attempt to defraud Sage Memorial through the emailing of invoices (e.g.
14 invoices 1406 and 1407, each dated June 26, 2020).

15 195. The representations and material omissions set forth in Paragraphs 194(a)
16 through 194(d) were false, and Razaghi Healthcare, Razaghi, and Hasan knew such
17 representations and material omissions were false when made.

18 196. The representations set forth in Paragraphs 194(a) through 194(d) were
19 material because they had a natural tendency to influence, or were capable of influencing,
20 Sage Memorial to part with its money or property.

21 197. Razaghi Healthcare, Razaghi, and Hasan made these false representations
22 and material omissions with the intent to deceive Sage Memorial.

23 198. At the time these representations and material omissions were made, and at
24 the time Sage Memorial took the actions alleged in this Fourth Amended Complaint, Sage
25 Memorial believed the representations to be true, and did not know they were false, and
26 did not know the truth concerning the material omissions.

199. In reliance on these representations and the material omissions, Sage
Memorial was induced to act as described in this Fourth Amended Complaint, including

1 transferring large amounts of money to Razaghi Healthcare. Had Sage Memorial known
2 the representations were false or had it know the truth concerning the material omissions,
3 it would not have taken such actions.

4 200. Sage Memorial's reliance on these representations and material omissions
5 was reasonable and their actions were justified.

6 201. As a proximate result of the fraud and deceit perpetrated by Razaghi
7 Healthcare, Razaghi, and Hasan, Sage Memorial has been damaged in an amount
8 exceeding \$75,000.

9 202. The acts of Razaghi Healthcare, Razaghi, and Hasan were willful,
10 fraudulent, oppressive, and malicious. Sage Memorial is therefore entitled to an award
11 of punitive damages in an amount exceeding \$75,000.

12 203. Because of the conduct of Razaghi Healthcare, Razaghi, and Hasan, Sage
13 Memorial has been required to retain the services of attorneys in order to prosecute this
14 action, and is, therefore, entitled to an award of attorneys' fees and costs of suit incurred
15 herein.

16 **COUNT FOUR**
17 **(Civil Conspiracy and Aiding and Abetting – All Defendants)**

18 204. Plaintiff repeats and incorporates each allegation contained in the preceding
19 paragraphs.

20 205. Razaghi Healthcare, Razaghi, and Hasan conspired together to achieve the
21 purposes of the Enterprise through the Pattern of Racketeering Activity. Razaghi
22 Healthcare, Razaghi, and Hasan, together with the Non-Party RICO Participants reached
23 a meeting of the minds and agreed concerning the details, objectives, and strategy of the
24 Enterprise, the Pattern of Racketeering Activity, the Predicate Acts, the First Razaghi
25 Compensation Fraud, the Second Razaghi Compensation Fraud, the Third Razaghi
26 Compensation Fraud, and the Termination Payment Fraud.

206. Each acted in concert with the others and with the RICO Facilitators to
devise, implement, and execute the Pattern of Racketeering Activity, the First Razaghi

1 Compensation Fraud, the Second Razaghi Compensation Fraud, the Third Razaghi
2 Compensation Fraud, and the Termination Payment Fraud.

3 207. Razaghi Healthcare, Razaghi, and Hasan actively participated in, aided
4 abetted, ratified, and adopted for his own benefit, the actions of each other and of the
5 RICO Facilitators in furtherance of the conspiracy, the Pattern of Racketeering Activity,
6 the Predicate Acts, the First Razaghi Compensation Fraud, the Second Razaghi
7 Compensation Fraud, the Third Razaghi Compensation Fraud, the Termination Payment
8 Fraud, and the misrepresentations and material omissions set forth in Paragraphs 194(a)
9 through 194(d) of this Fourth Amended Complaint.

10 208. As a proximate result of the conspiracy to defraud perpetrated by Razaghi
11 Healthcare, Razaghi, and Hasan, Sage Memorial has been damaged in an amount
12 exceeding \$75,000.

13 209. The actions taken by Razaghi Healthcare, Razaghi, and Hasan were willful,
14 fraudulent, oppressive, and malicious. Sage Memorial is, therefore, entitled to an award
15 of punitive damages in an amount exceeding \$75,000.

16 210. Because of the conduct of Razaghi Healthcare, Razaghi, and Hasan, Sage
17 Memorial has been required to retain the services of attorneys in order to prosecute this
18 action, and is, therefore, entitled to an award of attorneys' fees and costs of suit incurred
19 herein.

20 **COUNT FIVE**
21 **(Breach of Fiduciary Duty – Razaghi Healthcare NV)**

22 211. Plaintiff repeats and incorporates each allegation contained in the preceding
23 paragraphs.

24 212. Razaghi Healthcare NV was retained by Sage Memorial as its Chief
25 Executive Officer. Consequently, Razaghi Healthcare NV owed Sage Memorial a duty
26 of loyalty and honesty in all matters relating to Sage Memorial.

213. Sage Memorial imposed its trust and confidence in Razaghi Healthcare NV
and retained it to represent, protect, and promote its interests during the course of its
service as the hospital's CEO.

1 Termination Payment when one was not due under the CEO Services Contract; and
2 abusing its authority and discretion under the CEO Services Contract.

3 240. Additionally, in the event Razaghi Healthcare NV is found to have
4 complied with either Paragraphs 5(D)(1) and (2) of the First CEO Services Contract or
5 Paragraphs 5(D)(1) and (2) of the Second CEO Services Contract, then in the alternative,
6 Razaghi Healthcare NV deliberately and tortiously contravened the intention and spirit of
7 the contracts by failing to obtain the approval of the Sage Board to increase Razaghi's
8 billing rate from \$175 per hour to a net rate of \$495 per hour.

9 241. Razaghi Healthcare NV has therefore materially breached its duty of good
10 faith and fair dealing arising out of both Paragraphs 5(D)(1) and (2) of the First CEO
11 Services Contract and Paragraphs 5(D)(1) and (2) of the Second CEO Services Contract.

12 242. As a result of Razaghi Healthcare NV billing Razaghi's time at a net rate of
13 \$495 per hour without approval from the Sage Board, Sage Memorial has been damaged
14 in an amount exceeding \$75,000.

15 243. As a result of Razaghi Healthcare NV obtaining a Termination Payment
16 that it was not entitled to, Sage Memorial has been damaged in an amount exceeding
17 \$75,000.

18 244. Because of Razaghi's and Razaghi Healthcare's conduct, Sage Memorial
19 has been required to retain the services of attorneys in order to prosecute this action, and,
20 therefore, is entitled to an award of reasonable attorneys' fees and cost of suit incurred
21 herein.

22 **COUNT NINE**
23 **(Constructive Fraud – All Defendants)**

24 245. Plaintiff repeats and incorporates each allegation contained in the preceding
25 paragraphs.

26 246. Razaghi Healthcare was retained by Sage Memorial as its Chief Executive
Officer.

1 247. To fulfill its responsibilities and obligations as Sage Memorial's CEO,
2 Razaghi Healthcare contractually delegated those duties to Razaghi, and Razaghi
3 accepted the responsibility and duty for performing Razaghi Healthcare's role as Sage
4 Memorial's CEO.

5 248. Hasan acted as, and held himself out to be, Sage Memorial's Chief
6 Financial Officer.

7 249. Consequently, Razaghi Healthcare, Razaghi, and Hasan each owed Sage
8 Memorial duties of loyalty and honesty in all matters relating to Sage Memorial.

9 250. Sage Memorial imposed its trust and confidence in Razaghi Healthcare,
10 Razaghi, and Hasan and entrusted them to represent, protect, and promote its interests
11 during the course of their service to the hospital. Through the representations and
12 material omissions described in this Fourth Amended Complaint, Razaghi Healthcare,
13 Razaghi, and Hasan induced Sage Memorial to rely on, and trust, them.

14 251. As a result, Razaghi Healthcare, Razaghi, and Hasan each owed fiduciary
15 duties to Sage Memorial.

16 252. By engaging in the Pattern of Racketeering Activity, the Predicate Acts, the
17 First Razaghi Compensation Fraud, the Second Razaghi Compensation Fraud, the Third
18 Razaghi Compensation Fraud, the Termination Payment Fraud, the misrepresentations
19 and material omissions set forth in Paragraphs 194(a) through 194(d), and the other
20 misconduct described in this Fourth Amended Complaint, Razaghi Healthcare, Razaghi,
21 and Hasan breached their fiduciary duties to Sage Memorial.

22 253. Sage Memorial's reliance on Razaghi Healthcare, Razaghi, and Hasan to
23 protect its interests was reasonable and the actions it took in reliance on them were
24 justified.

25 254. As a proximate result of the constructive fraud perpetrated by Razaghi
26 Healthcare, Razaghi, and Hasan, Sage Memorial has been damaged in an amount
exceeding \$75,000.

261. As a result of the conduct of Razaghi Healthcare, Razaghi, and Hasan, Sage Memorial has been damaged in an amount exceeding \$75,000.

262. Because of the conduct of Razaghi Healthcare, Razaghi, and Hasan, Sage Memorial has been required to retain the services of attorneys in order to prosecute this action, and is, therefore, entitled to an award of attorneys' fees and costs of suit incurred herein.

COUNT ELEVEN
(Breach of Contract – Termination Payment Not Due -- Razaghi Healthcare NV)

263. Plaintiff repeats and incorporates each allegation contained in the preceding paragraphs.

264. The CEO Services Contract, as amended, was a contract between Sage Memorial and Razaghi Healthcare NV.

265. The CEO Services Contract, as amended, provided for a Termination Payment to be paid to Razaghi Healthcare NV in the event that the contract was terminated for certain specified reasons.

266. The CEO Services Contract was terminated for reasons that did *not* give rise to a Termination Payment being owed to Razaghi Healthcare NV.

267. Notwithstanding that fact, Razaghi Healthcare NV took from Sage Memorial and/or caused Sage Memorial to pay a Termination Payment. This breached the contract.

268. As a result of Razaghi Healthcare's breach of the CEO Services Contract (as amended), Sage Memorial has been damaged in an amount exceeding \$75,000.

269. Because of Razaghi's and Razaghi Healthcare's conduct, Sage Memorial has been required to retain the services of attorneys in order to prosecute this action, and, therefore, is entitled to an award of reasonable attorneys' fees and cost of suit incurred herein.

DEMAND FOR JURY TRIAL

270. Sage Memorial requests that all triable issues be determined by a jury.

RELIEF REQUESTED

271. Wherefore, in light of the foregoing, Sage Memorial asks the Court to enter Judgment in its favor and against Razaghi Healthcare, Razaghi, and Hasan, and each of them, as follows:

- i. Award Plaintiff compensatory, punitive and treble damages in an amount exceeding \$30,000,000.00;
- ii. Award Plaintiff interest (prejudgment and post-judgment) on all sums permitted by law;
- iii. Award Plaintiff the Declaratory Relief requested herein;
- iv. Award Plaintiff reasonable attorney's fees and costs for having to prosecute this matter, under A.R.S. § 12-341.01 and as otherwise available; and
- v. Award all other just and proper relief.

DATED this 29th day of January, 2024.

DICKINSON WRIGHT PLLC

By: /s/ D. Samuel Coffman

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Amanda E. Newman
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CERTIFICATE OF SERVICE

I hereby certify that on January 29, 2024, I electronically transmitted the attached document to the Clerk of the Court using the CM/ECF system, and that it will be sent electronically to all registered participants as identified on the Notice of Electronic Filing, and paper copies will be sent to those indicated as non-registered participants.

By: /s/ Nicole Francini
an Employee of Dickinson Wright PLLC